

Closed Caption Log, Council Meeting, 04/23/09

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Mayor wynn: good morning. M austin mayor will wynn and I'm pleased to welcome pastor daniel liu. Please rise. Father.

Thank you, mayor. Thank you council members of the city, thank you city manager and citizens of austin. Let us take a few moments to recognize our hearts and minds and spirits to begin this day with this important meeting. Good and gracious father, we thank you for another day of our lives and we thank you in a special way for all those present here at this meeting of the city that those here conducting the meeting will be policed by two important -- blessed by two important gifts that you give us, first is humility that we are not here to serve ourselves but others. And second, the gift of courage that built upon humility will be able to discuss the important issues that affect the lives of all people of this city that we will be able to discuss with charity and honesty these issues to come for some resolutions for the better good of the people of this city. And lord, you guide us always in all that we do and all that we think. Help us to follow your will and to be thankful for all that we have every day of our lives and we ask this in the name of jesus christ who is our lord and ever, amen. thank you, father daniel. There be a quorum present, i will call this meeting of the austin city council, thursday, APRIL 23rd, MILLIONLY 8:25 at the city hall building, 301 zest second street. We try to take this opportunity each week to alert about upcoming items from council or issues or initiatives that we should be aware of.

Mayor. council member cole. I would like to thank the university of texas for hosting the annual relay that brings visitors from around the state and is a major source of tourism and I would like to point out that without these events we wouldn't have many events to speak to african-americans and the diversity of our city so I would like to ask the entire commune toyota extend the welcome mat when this occurred for this event. Next week, I will bring an item forward to ask the city manager and city staff to work on a plan with the university of texas and the county to ensure that we have traffic flow through our central city next year with texas relays and we appropriately welcome our visitors. thank you, council member. Furtr upcoming items, initiatives, issues? I will just say that I have asked over the next couple meetings, it might nobody early may that we have a briefing on our mental health task force. This is now about our fifth year of work, and so I believe that task force will be presenting to the council sub committee on health and human services and it would be right for the committee stone, former mayor garcia and it is an impressive body of work and some point here in the next few meetings, we will have that public

presentation. If there are no other announcements, at this time I'll walk through the changes and corrections to this week's posted agenda. They are to note item number two comes recommended bid resource management commission. And noting that items 27, 28, 30 and 31 come recommended by the public health and human services sub committee. On item number 52, we need to strike the word resolution and insert the word ordinance regarding compensation and benefits for the municipal court clerk. On item number 53, related to our city wide strategic priorities for families with children, we should know that council member cole is also a cosponsor. On item number 55, we should correct the actual name of the association. It's the old pecan street association. And then we should note that .. was scheduled to be a public hearing, we now are told that both the church and appellate have requested a postponing of this item, I anticipate item number 92 being postponed later this evening. Our schedule today after we get through our consent agenda and possibly a couple of discussion items, we may go into closed session at some point during the day but then by noon we will have our general citizen communication. 00, we will have staff briefings, the first is on the proposed purchase of a new customer information and billing system. Mostly operated by austin energy, and then also a briefing on the barton springs pool tree assessment that we have read a lot about lately. we have our zoning matters. 30 we have our break for music and proclamations. So far we have a couple of items pulled off the consent agenda. Item number 22 related to our proposed comprehensive plan has been pulled by council member morrison and technically we need to pull number item 51 and 52 off the consent agenda as they related to personnel matters we will take up in closed session regarding our city clerk and municipal court clerk so so far, only items 22, 51 and 52 are pulled off the consent agenda. Any additional items to be pulled before I propose the consent agenda this morning?

Mayor, item 55, the name of the association is actual pecan street, deleting the word old.

Mayor wynn: I misspoke. Strike the word "old" so approving a city agreement with the pecan street association. Thank you. I'll propose our consent agenda numerically. So the proposed consent agenda this morning will be to approve item one, the minutes from our two most recent meetings. From austin water utility, approving item 2, per changes and corrections. From our city clerk's office, approving item 3. From our contract and land management department, approving items 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21. From our emergency medical services department, approving item 23. From our health and human services department, approving items 24, 25, 26, 27 and 28, per changes and correction, and 29. From our management services department, approving items 30 and 31 per changes and corrections. From our neighborhood planning and zoning department, approving item 32. From our police department, approving items 33 and 34. From our public works department, approving item 35. From our purchasing office, approving item 36, 37, 38, 39, 40, 41, 42, 43, 44, 45 and 46. From our transportation department, approving items 47 and 48. Item number 49 are our board and commission appointments that i will read into the record. To our austin music commission, council member cole has nominated duane hunter and to our mbewbe and small business improvement program advisory committee, council member cole has also nominated ryan walters. That is item number 49 on our consent agenda. We will also be approving item 50, 53, per changes and correction, 54, 55, per changes and correction, 56, 57, 58 and 59. And we will be setting the public hearings by approving items 60, 61, 62 and 63. I will entertain a motion on that proposed consent agenda. Motion made by council member martinez and seconded by council member leffingwell to approve the consent

agenda as proposed. Before council comments, we have a handful of folks that want to give us testimony on these items on our proposed consent agenda. Our first speaker, gus pena seemed up to speak on item three related to our upcoming election schedule and polling locations. pena -- welcome, mr. pena.

Good morning, mr. mayor. Council member, back in '96 and '97, I ran for city council in a poor man's campaign and one issue in 1996 was a bad methodology of informing the taxpayers and the voters on changes of polling places so i would respectfully request and recommend strongly that we adopt or we create a new process to identify the public on changes in the polling places. This occurred recently, also, during the past election so we haven't had people that are so frustrated they get angry and not vote and that is not good. This is their constitutional , so anyway, I won't stay on this matter too long but please improve the notification process if it has changed this send as bad message to the 17-year-olds who are becoming 18 year olds and are eligible vote. If you have that in place, you can't foresee the future but let's have a process in place to immediately identify around notify the public of the change in polling places. Thank you very much, have a good day. thank you, mr. pena. Council member martinez.

I was curious, as part of this process, I know that just in advance of the actual election day, I don't think do we that in advance of early voting but I do remember that i will see, maybe a half page placement in the newspapers that will list all the different precinct numbers and the actual location. I trust we're doing that again this year?

We're required to do it in the legal publication. As far as generally you see them on the front page and we have been advised by the statesman that they are not going do this year. All of the web sites have been on-line for almost a month now, listing both early voting and the regular. In council would like, they estimated cost of the ad for us .. not in the legal publication but up front is approximately \$8,000. And so the statesman just advised the county they would not be doing it on their own this year.

I'm curious, independent of whether we do an ad or it is just part of the legal notice section, is it possible that we can go back and have a different color print for any precinct that might have changed voting locations from, say, the previous election?

I'll certainly ask the statesman if that is possible. I do know it is not uncommon for the precinct location to change from election to election so I wonder if can you go back and look at the previous election and somehow note for the readers that this is a new precinct polling location.

We can definitely do that on our on-line and we can check with the statesman about the legal publications to see if that is possible. The ones we can't control is when we show up on election day and for some reason there has been a fire or something, those are problematic but the county does maintain a hot line that day and they do go to the previous site and post on every previous site where the new site is. But any that we can anticipate, we can certainly do that on our web site. Wynn all right. Council member martinez. thank you, mayor. I was going to make comments on the same lines. His story a very popular early vote site in november it moved to the east side of congress avenue in a bank building and caused a lot of confusion and issues. It is now moving back to the heb parking lot but there

are issues he's concerned about and have asked us to help try to mitigate, such as the signage, trash, lit pieces, things that are normally around polling locations so my office and staff, we've been trying to work with them, make sure that we do our part in keeping all early vote sites for that matter as clean as possible so that these private entities that we're partnering with will continue that relationship moving forward. But I would like to ask the city manager to consider potential ad in the statesman before early voting, indicating where the polling locations are. .. I'm disappointed to hear the statesman is not going to be willing to do that this time, but I do think it is important that folks know before voting starts where the polling location is.

Mayor Wynn: thank you. Thank you Miss Gentry. Let's see, also Council, on item number 50 which is on the consent agenda related to restaurants and outdoor music venues, a handful of folks wanted to give us some testimony. Is Fred Nelson still here? Welcome. I want to call you Freddie but you signed up as Fred, so welcome. You will have three minutes and followed by Dee Castillo.

My name is Fred Nelson, I thank you for giving me the opportunity to speak. I know this is a blip on the radar of all the things you have to consider. I have legally hosted music outside of bars and restaurants for 25 years, first at Hickory Street Warp and Girl and now Freddie's and all those years I have never been cited for excessive noise. And the Council hastily passed ordinance number 28 that reached back to a land use code to trump the existing live music ordinances to drop decibel levels from 85 to 70. If ordinance 28 is left to stand, it will shut down live music at venues like Freddie's place and under consideration, the item you have, won't affect Freddie's, we still will be shut down. Any busy outdoor restaurant environment has an ambient noise level without any music playing at or above 70-decibels. Live music can easily be kept to 85 or below but it can't be kept below 70. It doesn't seem like anybody in the city has an understanding what decibel levels are. I sat on a corner in Bolden Avenue and Elizabeth Street yesterday morning for a couple hours and measured decibel levels. Every time a bus passed by, it was 93. 30 and 30, several days a week, continuously. Every time a truck involved in the city's nearby utility project went by, the decibel level was 100. I have one of our sound meters with me and you can see when I'm talking to you here the decibel level easily exceeds 85. Although you say ordinance 28 had to be passed, you were easily able to exempt the two entertainment districts from this old land use code. It was so easy it just took a couple words and a paragraph and I don't understand why a couple more words couldn't be thrown in for the rest of us impacted by this. Now you're considering a new ordinance to allow certain venues to declare themselves to be cocktail lounges to by-pass ordinance 28 which was just passed. If it was such a good and necessary law, why create a loophole less than two months later. The reason is ordinance 28 was not thoroughly thought out and why do we seem to be in such a rush to repeat and compound the original mistake. I was going to say before you passed this new ordinance but it was already passed. I think it also begs a question that ought to be checked with the legal department about the definition of cocktail lounges. As I read the definition in the city zoning rule it infers that a cocktail lounge -- am I up? A cocktail lounge has to sell 100% alcohol until there are a few things, including live music but then the alcohol sales have to exceed 49%. And that's not the case with any of the affected venues. The thing is only one sensible thing to do, we need to create a moratorium during which time the old music rules apply and not the old ancient land use code and we need to take the time to craft an all new ordinance that would satisfy the venues, musicians and neighbors. I actually e-mailed you all a Fred Nelson version of a foundation for that,

and just in case you didn't get it, i brought some copies. I will leave them here and I'm done. thank you, mr. nelson.

Thank you. our next speaker is --

mayor. council member martinez. we've been working on this issue, but myself and the live music task force. There are certainly issues that need to be addressed and freddie's is one of them. nelson and I certainly appreciate his comments and concerns that he has but we're absolutely committed to working with him and any other venue that is affected but we have to make sure we do this appropriately. We are the live music capital of the world and I don't think anybody is trying to change that but that doesn't mean you can plug in and play anywhere and any time that you want and i certainly realize there are other factors that create noise that go above 70-decibels, including talking right now in a microphone, but we can do this appropriately, we can still be the live music capital of the world but still be neighborly as well and understand the impacts to the community that surrounds these venues. I wanted to ask staff, though, there was one point that nelson made that I have a different interpretation so i want to ask staff if they can respond to, and that is that if you designate yourself as a cocktail lounge use, you're permitted to have 100% sales of alcohol but not required, and it nelson felt like it is a requirement in the code. I was wondering if someone could respond to that. Thank you.

Christopher johnson. As far as our research goes, there is nothing in the land developing code that sets a minumum alcohol sales requirement for a cocktail lounge. They must have at least 51% revenue from, food. thank you. So by changing permitted use to a venue to a cocktail lounge doesn't mean they have to change what they're doing. It doesn't mean they're going to become a bar that sells 100% alcohol, they can still operate as a restaurant and still have live music, but because they're listed as a cocktail lounge use, the decibel limit would be 85 it would allow them to continue with live music. And these are the kinds of things that we're trying to make sure that we have comprehensive understanding of what we're doing so that we can enact some provisions to be more compatible, be more neighborly, but at the same time foster live music in austin, texas. My staff and council member morrison's staff has worked on this diligently and will continue to work on it. We realize there are still some specific incidents out there but we're committed to this and we will continue moving forward. Thank you, mayor. thank you, council member. We have a couple more folks that want to give testimony on this item. Dee castillo. I have three minutes, to be follow gids gus pena.

Good afternoon, council. It is a little scary to be up here. I just wanted to say that I've ... I'm sure a couple of you all remember me from the last time i came to speak on february 26 and I was speaking about the issue of this past ordinance that would actually pass that had the city go back and take a look at all the land codes and that sort of thing. I have been very reluctantly in support of this new ordinance passing to make it easier for venues to become cocktail lounges. Specifically because of the fact that it may be easy to do something along the lines of just pushing through, you know, a bandage to make it easier for restaurants and that sort of thing to be classified as cocktail lounges but there are some things I would like the city council to be aware of, such as there are going to be a lot of changes, looking into the fact that okay, now we have all these, you know, different places that used to be restaurants, now they are cocktail lounge, we may want to look at them a little bit differently. It's certainly a good item

on paper but it become as difficult thing to really make sure all the people that need to be taken care of, particularly us musicians and the venues themselves, someone needs to be there to make sure whether every the tabc and any other, you know, departments of state or whatever, come knocking on these venue's doors that they're not going to be getting in trouble because the city was trying to help them push through a bandage that really needs to be addressed in a much larger way than simply trying to make it easier for venues to become cocktail lounges. I understand that that is a very simple and fast solution, and i also know that city council is looking at a way to permanently change this, however, it does become an issue, this needs to be addressed a little bit more quickly and a little bit more severely with some stronger actions to assist both us musics and the venues them selfs. Thank you.

Mayor wynn: thank you, dee. Let's see, our final speaker is gus pena. Welcome back, gus.

Mr. mayor, good morning. City manager and council members, believe it or not, even east austin, I emulated ringo star with the beatles, I was not as good but I came to speak to this issue because I was listening to the lively discussion and it was very informative dialogue. Not heated by passionate and i didn't want to step into as a referee, but anyway, kudos to both of you all for educating at least me and I can he would indicate the other public. I have a lot of other friends that own their own strawn and do have live -- own restaurant and do have live music and viewing e reports on television, for example, there is a restaurant on congress avenue, and I do take capital metro, I use capital metro, we need to get rid of the manager, though, but anyway -- [laughter] thought you would get a kick out of that. The noise level of the traffic passing by there is at a high decibel, so I think a recommendation or suggestion nelson to council member martinez about a moratorium, I don't know if that is applicable or acceptable or appropriate but maybe it would be wise to revisit, not so much to revise but we but rethink it and nelson and others impacted by this ordinance and i apropages to you and others that own restaurants, I'm so inundated but health services that we need to address but let's not lose a lots more business. I used to play at liberty lunch in 1979 next door to the old council building, so I would .. will and the music as the capital but let's sea everything more amendable to everybody. Thank you for hearing me. Bye-bye.

Mayor wynn: thank you.

I would like to thank council member morrison and martinez for spending a lot of time on this. I know my office has spent time with people who served on the various sub committees and this has been a very complicated issue and we've been very engaged in responding to people's e-mails but what struck me as we moved through this and discovered old ordinances on the books that weren't there before that we weren't being consistent in the enforcement before, i think we're moving in the right direction. I'm curious from staff's perspective how many more restaurants have the problems not yet been addressed based on the neighborhood input, the ordinance and now this latest action that we've just taken. How many more do we need to deal with that aren't yet having their needs met? welcome, miss edwards.

Sue edwards. I think there are about 16 or 17 strawns that would be eligible for applying for the ordinance that you just passed.

And once those are taken care of, based on the cases that we've heard about where they were caught in this gap, how many would that then leave? You know, like freddies being one, I can tell, because they are not in the geographic area that we're talking about.

I don't have that information but I can get it for.

I think the number is four. There will be four venues that we'll still need to work on. Out of the 17, 13 of those should be able to switch cocktail lounge use and continue operation as is. But the other four remain.

So four. I think it is really important for people to understand this has been really complicated but we've had a ton of neighborhood input, live music task input, people from the music industry helping with us this so when we get the e-mails that suggest we're trying to choke live music, I think that is an unfair characterization of all the people who have been so involved in this process, and that is basically the goal here is working out something that would .. for as many people as possible. And again, the fact that we've been able to find some work arounds to be able to take care of all but now four venues and you have a commitment of people sitting up people to work as close as we can with those four venues that don't fall in the geographic areas of the amendment we just passed, i wanted to make sure we call attention that. thank you, council member. Let's see, so I think we still had a couple more speakers on some other items. Item number 53, regarding our city initiatives or families with children, with he will note that kathy togo is here in support but not wishing to speak. Item number 54 regarding excluding the consideration of potential adjustments to one of our capital quarters, a number of folks have signed up and they're here, not wishing to speak but in favor of that action. And item number 56 regarding the reimbursement certain fees for the mighty texas dog walk, a couple of folks are here to address us. Sherry soltiseo chris hyatt.

I think chris is running late so this is my first time, he is in a power wheelchair coming from nearby so if he can't testify that is fine or if you can have him later, that is fine. I wanted to tell you who we are and thank everybody more their help. I'm sherry soltis, I'm the founder of the texas commission for hearing dogs and we're sort of the cousins for guide dog school, we train dogs for people in texas with hearing and deafness or mobility related disabilities and we do all the training free of charge and we appreciate the help of council member morrison and her staff in helping round-up some of the rest of us for waving the permit fees for our dog walk. We doubled last year and it was over 8,000 dogs and this year we attracted more people than ever from outside of austin so I hope in the years to follow we continue to have this build into a tourism events. I also appreciate mayor wynn chipping in for some permit fees and council member leffingwell for doing that, as well. And the city right of way people are a big, big help with all the navigation of the red tape and apd and other city agencies. And let's see, we raised a lot of money, we had zero complaints from our walkers and the funds will go to train hearing and coms for injured combat veterans for iraq and afghanistan so we're very excited about that and look forward to working you two make it another mighty texas dog walk. The current record is held by he can which england at over 10,000 dogs, but in my opinion they cheat. [Laughter] but world record holders is in england, coincidence, I'm not sure. Anyway, we hope to see you next time. We strange all the dogs free of charge, so if you know someone who is hard of hearing or in a wheelchair, send them our way and

thank you for helping us navigate the red tape and making it a good event for austin.

Thank you, miss solstis. An opinion expressed by sherry do not necessarily represents those of the city of austin. [Laughter] just kidding. Let's see, council I think that is all the folks who signed up to give us. It on items on our consent adjust dah so I will -- consent agenda, so I will open it up to council members. We have approval for all items on the consent agenda except 22, 51 and 52. Council member leffingwell. i want to make a comment on item 58 which is waving certain fees for the texas peace officers memorial parade which honors peace officers who have given the ultimate sacrifice in the past couple years and I want to point out this does not include fee waivers for police protection and that austin police officers have volunteered their time to do this, free of charge, and there will be no cost to the city for this portion of fee waivers. thank you, council member cole. I would like to point out on item number 93, staff is going to request a postponement. Of course, we don't know yet whether we will request that but if anybody is listening, they need to know that information. And I would also like to comment on item number 54 which has to do with the corridors, I'm supporting this item and I do not want any adjustments to the capital view corridors but i want to make clear that we can plan around it does not interfere with the planning of the downtown plan and staff is free to talk about those items.

Mayor wynn: thank you. Council member morrison. thank you, mayor, I have brief comments on a few of the items i would like to share. First of all, I would like to point out that item number 9 is a cooperative agreement we have with the city and county on a water transmission lane and local agreement and it is a great example of how we can do some good work together and i appreciate the city manager's move says on that, things can be more efficient and we can leverage many opportunities that way. Also speaking of collaboration, item number 32 is approval of our membership for the coming year in the capital area council of government. I sit on the executive committee for that, and that is a really great tune for us to participate -- tune for us to participate with 10 counties around the area. The usuals, we're always talking about williams and hayes but it includes others, and it is a great venue for discussions of regional issues. We talk about economic development, the census, the potential for nonattainment, solid waste and also it is important to remember that a lot of our funding from the federal government flows flew the capcog so it is important that we be at the table. We get monies from there for grants for aging services, victim services, homeland security, our 911 system, and lastly, I want to mention that there are many committees, citizen committees, with capcog and I want to thank all of the folks we have from austin that represent our interests at the capcog table. Items number 33 and number 34 are related to our acceptance of federal stimulus money through the justice assistance grant program. Again, that money actually is .. it is an allocation front feds, with a specific amount for us, as well as for pflugerville and travis county, and I believe, i understand the plan proposed for the use of that money is to support up front costs for additional law enforcement officers, which we will hopefully be getting through a grant in the near future. I think that is a terrific idea. It will be a wonderful opportunity to have more officers on the street. I do want to point out that the jag grant, justice assistance grants, with them we also have the opportunity not only to support direct law enforcement efforts, but also we can, it is open for supporting things like drug treatment programs and victim services, and so I do want to just maintain that as part of the conversation in the event that our grand application is not fully funded and we don'tny quite as much up front funds and that releases some of this money, I hope we will be able to talk about really, truly trying to address some root causes of crime in addition to getting more cops on the street. Just a couple

of more, item 53 is a resolution, really as a result of the work by our families with children task force. .. It takes a look at our priorities, the city of austin has listed a vision statement to be the most liveable city in the world with four specific priorities. One of those priorities is that we be a healthy and safe city and what this resolution does is it changes that to say we will be a healthy, safe and family-friendly city so we can keep in mind through all of our planning initiatives, et cetera that we really need to be addressing families with children to make sure we remain a vibrant community. And then lastly, there are two items on the agenda, 12 and 35 that are a product of the city manager's accelerate austin initiative and I just wanted to take this opportunity to ask staff to come up and give us a little bit of an overview and the public an overview of how the accelerate austin initiative is shaping up and what we might expect in the near term and how it might really change where we're headed over the next four years. So thank you.

You're welcome and thank you for the opportunity to talk about accelerated austin this morning. I brought with me a presentation I gave about a week and a half ago the bond oversight committee and I would like to walk through that.

So as I said, we presented this to the bond oversight committee about a week and a half ago. To kind of give an overview of where we're going with our street reconstruction program. It was announced, proposed under the 2006 bond ordinance but it does include some other things, as well. Proposition one included \$85 million for street reconstruction projects, and that list of projects and groupings of projects were developed and prioritized using the data from our payment information system, so we did address the areas of greatest need first and it helps us to make progress toward our goal of making increasing lane miles throughout the city so it is consistent with other programs we have. The accelerate austin tagline was put on it as a way to focus on the fact that we are trying to push some projects forward it does take advantage of favorable contracting environment we're experiencing now where most of our bids were coming in 30 to 40% below our in-house estimates so it is a good time to be able to go out into the contracting community and look to accelerate work. Primarily, it also created construction jobs in the community, we've conservatively estimated that 300 additional jobs that will help in the local economy. Much of the work is still in small, minority and women-owned businesses, we've taken approaches to emphasize through awards, as well. We've completed lead to projects, one on the agenda today, one that is currently advertising for bid and you will see a lot more work come through as we have 21 projects currently in design, -- currently in design using in-house staff and outside consultants. Some ways we want to work is simple, we work well with other city departments, address the utility issues with the austin water utility, watershed protection and development review, as well as working with contract and land management to help us use expedited bid and award procedures. We're looking to find project managers throughout the city so that as workload varies, we can take advantage of other staff that may have the appropriate skills and have the time available. And when necessary, we will look to hire some temporary project management staff. And unfortunately, the unfortunate aspect of the economy is there are very good people looking for work that we can take advantage of picking them up on a temporary basis to help us manage our projects. You can see some up-coming projects here. I'll give you a quick look at that list -- to give you a look at that list. The last two, pond springs road, that is funded through 2006 bond funds. For the part that we will have to back up. And then howard lane is on the agenda today that funded through bond funds. Discussion well represented throughout the city

geographically. Geographic equity is one thing we did strive to achieve in looking at those projects we would push forward. The difference between the east and the west is due to two -- and the west is due to two factors, deals with soil conditions and geology, as well. What you will see in terms of impact is we are currently working within the current appropriations we have and this coming summer we will look to appropriate the rest of the funds under proposition one so we will have all \$85 million under the proposition available to push the projects forward. Our intent is to cut 12 to 18 months off the construction and have all that money obligated by the end of next calendar year. With that, I am free to answer any questions you may have.

Council member morrison. just one follow-up question it looks like we will plan to have all these projects done by 2012?

2012.

Council member morrison: Without the acceleration, can you tell us what year we were planning?

It would have been all the 2006 bond projects were planned to be done by 2014. thank you very much.

You're welcome. council member martinez. this probably is a rhetorical question but I want to ask it anyway. Based on what I'm seeing, the high percentage of minority participation, I will ask the question that the accelerate program still runs through our mbe/wbe goals for orders and procurement?

Absolutely. thank you.

Mayor wynn: thank you, howard. Further council comments on our consent agenda. Council member leffingwell.

Council member leffingwell: Responding to council member cole's comments on item number 54, the capital view resolution, certainly a consideration of the carters themselves would have to be in place to plan around them. The intent of this resolution is to exclude consideration of any adjustments to those corridors in the downtown plan and in the recommendations that come through it. ... that applies whether some or all of this work has already been done. They're no longer in the scope of work and therefore should not be part of any recommendation by the consultant to the downtown plan. further comments on our consent agenda. Council member martinez then spoke. on item 55 I want to thank the city manager for working on this. This is the old pecan street festival, I think it is something that is really important to maintain because it is an event that is welcoming and open to everyone in our community, and it will be going on now with the city support. May, what is it, may 2, the weekend of may 2 and 3 when it will happen this year. Over 250 vendors, live music, children's music, you know, may 2 and 3, and what we've done in this actually though is based on the success of the festival, we actually would see a return on our investment to potentially reimburse us for any costs that may be associated with it. So it's a win/win -- so I think it is a win/win for both. Keeps the festival going. We may not have to spend anything more and I appreciate it and thank you for your work on it.

Thank you, council member. I also want to acknowledge fernandez on my staff, he did a lot of work on this to get us ready for this festival, so thank you, rolando.

Mayor wynn: further commented? Council member shade. I want to clarify, when you sit up here and listen to your colleagues, i want to clarify that both council member cole and leffingwell says the same thing which is we're talking about no recommendations for adjustment on the capital corridor but you have to acknowledge they exist so that is what council member cole said and I've had lengthy discussions with everybody and i think there was some confusion in the scope of work and I'm glad we've taken the step to add clarity, but I want to make sure we're adding clarity, there is a big difference between acknowledging the existence and making recommendations about them. council member cole. I think i agreed with what council member leffingwell said.

Council member shade: you did. It sounded like he didn't know you did and I wanted to make sure he did. council member leffingwell leg level.

Council member leffingwell: We're very cautious about clarity these days. [Laughter] a motion and second on the table, consent agenda, all items excepting all items excepting 22, 51 and 52. Further comments? Motion passes on a vote of 7-0. Thank you all. [One moment please for change in captioners]

again, please take your conversations out in the foyer, I would appreciate it.

Thank you, mayor and council, I'm greg guernsey, director of neighborhood planning and zoning. Mike trimble is here along with his staff and my staff. We would like to make you a brief presentation to give you kind of a recap on hopefully our new comprehensive plan. I will cover very briefly what our comprehensive plan is. This is a very familiar slide if you have been following the forums that we've had. A document adopt by the council. Establishes the vision for our community and deals with growth issues, both in the city and the e.t.j. It sets out city policies. Regarding growth and development. And it sets up an ongoing process for implementation, review and updates to the plan. Our last plan was the austin tomorrow comprehensive plan. Done back in the carter administration, in 1979. Since that time, we have grown from an area about 128 square miles, today we are about 300 square miles, a population back then was only about 346,000, today we are about 750,000. So -- so we have doubled in size. Counseled in population in that time period. The components of the plan are primarily two. We have a vision and policy framework that lays out the vision for our community and incorporates the -- integrates the key themes, kind of explains where we are going. These components address very briefly very important things that are -- that are important to our community. Land use, transportation, conservation and -- environmental resources, open space, housing, public services, public buildings, health and human services and economic element for commercial and industrial development an redevelopment. The rfq requirements after a considerable amount of input from the planning commission, subcommittees and citizens, speaks to number one is creating and actively engaging all of austin's citizens. All of austin's citizens in the development process. I had an opportunity yesterday to speak to the general contractors and engineers, always anc last night. I spoke to the groups and said you must participate. We can't leave out anybody. Everybody is in this together. Issues that we would

address would be population growth, environmental protection, neighborhoods, mobility, affordable housing, sustainability, climate change. These are current issues but as I mentioned before those other 10 elements that we need to focus on. We need to focus on implementation of the plan once it's actually adopted, looking at it regularly, perhaps looking at our codes, revamping our codes, hopefully to be more streamlined and easier to use. Easier to understand by everybody. The plan would be completed in a timely manner. The -- the rfq selection process was our normal standard four-step process, requesting qualifications, scoring, panel interviews, presentations, using the finalists presentations. And where we are hopefully today is awarding the council contract. The rfq process started back in sent. And that's when we actually released the r's. We had -- rfq's. We had five proposals and three finalists we will see in a couple of minutes here. We've had a considerable amount of citizen input. Back on february 12th we had a presentations and we had 134 people that have registered e-mail addresses and we have been blasting them with information. We followed up on the 26th and you, council, voted to get some more information and also to seek additional input and we have done that. We've had community forums ON MARCH 4th, WHERE WE HAD Suggestions of council for additional questions for you to consider to ask the consultants and then again ON APRIL 7th. And since that time we've updated our website, maintained that so citizens could review those questions and the responses. At the march 4th meeting where we asked for these questions, to review, graced us with your presence. When we had the people come up and ask questions, we had over 60 questions, 22 for staff. AT THE APRIL 7th, THE Conley-guerrero senior activity center in east austin, another forum, very lively discussion, lots of participation, 43 people came forward. We had 78 comments that resulted from that. So let me just give you a summary. Briefly, on -- on february 12th, WE RECEIVED Comments. Those comments in your back upmaterials. This is a very briefly summary of the written comments received by e-mail and writing. Then on april 7th we had the second set of comments that we received. Again, you have that in your backup materials so you can see those -- those and all of the comments I think as OF THE 13th. -- I think they were turned in. Finally, we have the three finalists today that -- that are under consideration. And, mayor, I think that you have a couple of people that would like to speak to these items and staff is here and able to respond if you have any questions. We do. First, council, questions of staff, comments? We do have three folks who would like to give us testimony on item 22. Our first speaker is chris hewlin. Welcome back, chris, you will have three minutes to be followed by alice glasgo.

Chris is one of our commissioners and hopefully he might speak to a very important resolution that the planning commission approved unanimously.

Mayor Wynn: Thanks, chris and for your service.

Good morning, councilmembers, mayor. We've had a -- a long process, as you know, i think, coming to this point where this decision isn front of you and you have taken admirably lots of time to consider all of the factors in front of you. We did put forward a resolution that you have now, which I think really emphasizes the public participation element of -- of what this plan can be. And I just wanted to primarily really encourage you to -- to make this decision. It's, you know, sometimes a hard decision to -- to press forward and sometimes not everyone is happy with it. But that's something that you do all the time, I know. So -- so I was going to share with you a couple of quotes, just at this moment I thought it would be fun to go over these. But -- but richard cushing who I think some of you know, a cardinal in

massachusetts, always plan ahead, it wasn't raining when noah built the ark. I think that that is appropriate because in the development world it's sort of not raining now. And so this does seem to be the perfect time to plan when we have some more time to plan. There's actually been a few planning commission meetings where we have left the building before the sunset. So I think we do have some time to help out with this process. a good plan today is better than the perfect plan tomorrow. So we know that every consultant has their weaknesses. And I think despite those weaknesses, we need to select one of them and move forward with negotiations and we can account for it. I believe that we can account for some of those weaknesses from -- from some of those consultants. You will make the right choice and the planning commission, I believe, is very ready to proceed. Commissioner sullivan couldn't be here, but he also wanted to -- to encourage selection and also to emphasize that we will work hard on the public participation element as well. So thank you again.

Mayor Wynn: Thank you, chris. See, alice glasgo -- councilmember martinez?

Hey, chris.

Hank on.

I just noticed what was going on outside. Is reviewing the towing ordinance going to be part of your comprehensive plan suggestion? [Laughter]

I think councilmember martinez knows I will rush out -- I almost came this close to having it towed. But matter of fact councilmember martinez as i recall -- in fact councilmember martinez we sponsored something about --

thanks.

All right. [Multiple voices]

welcome, alice. You, too, will have three minutes.

Good morning, councilmembers. Thank you very much for allowing me to speak. I'm here to address you as a planner and not as a consultant. Having been one of your former planning directors, it seems appropriate that i would be here to urge you to 22, the -- as staff just informed you, in the previous presentations and today that your current comprehensive plan or our current comprehensive plan is 30 years old and the last update to the plan that was INITIATED IN THE MID 80s, Made it all the way to the city council after several years of -- of dialogue with -- with austin citizens and the city council then did not adopt it after several hours of citizen participation. Staff participation. So I would urge you and encourage you to please move forward and I ditto everything that the planning commission member, chris just stated. Thank you very much.

Mayor Wynn: Thank you, ms. glasgo. Our final speaker is shaun compton. Welcome, shaun. You, too,

will have three minutes.

Thank you, mayor, councilmembers. I'm on the acp team and i just checked with the contract procurement just to see if I could speak. Council has taken a real thoughtful process, very inclusive and certainly speaks to the public participation process that austin holds very dear. I'm not really an eloquent speaker. That's not really my talent. My talent is listening. And I think that this -- this process of putting together comprehensive plan is about listening. That's why I'm very pleased to be part of the acp team. And I'm -- I'm actually a part of -- of a local firm here. The acp team, acp, rather, has about 25 years of undisputed leadership in public involvement. In watching the web cams of the public involvement session, those are very helpful and enlightening to watch and in looking at the public responses I just wanted to -- to -- to speak to perhaps clarify some of the -- some of the -- there might be a little bit of confusion on the part of the public about the parameters of the procurement process. And -- and what -- what their -- at this point, no team has submitted a public involvement plan. And that's really that -- as part of the scope the development of this plan is precisely what the staff has directed the consultant to do after being awarded the project and as we responded, acp responded, in our question, acp will finalize its approach and techniques after consulting with council, staff and the public early on in the process. And so I just wanted to clarify that. Really, the key to validating the public outreach process is achieving balanced and inclusive participation. This makes the plan the citizens plan. I guess -- another point is that -- is that acp is a nationally recognized leader in citizen-based comp plan envisions, that's 100% of what they do. They don't build, they aren't master planners. So in the past three decades the firm redefined the manner in which u.s. Communities approach visioning and public framework planning. I'm a member of the cnu, congress of new eustachian bannism, one of the [indiscernible] -- of the new urbanism, acp was one of the headliners in terms of the comprehensive plan. They are also speaking at the denver conference. Thank you very much.

Mayor Wynn: Thank you, mr. compton. So, council, that concludes all of our citizens testimony in this item no. 22. Regarding our comprehensive plan. Further comments, questions? Staff? Councilmember morrison?

Morrison: Thank you, mayor. First of all, I want to thank all of the consultant teams that provided information and provided their qualifications for participating with austin. I want to thank all of the guernsey pointed out. We had a lot of citizen interest, which is good news because we need to have a lot of citizen participation to take this a good plan. And also especially to thank the staff for being so flexible and working with us and supporting a more open process because it really has been the opportunity for more informed input from the public, which is very important. So in -- in making our selection, it's -- we are working from of course the staff evaluation, some of the original submissions and now we've had the opportunity to attend two public hearings to review 100 -- over 100 pages of additional consultant input and then a lot of written public input. And I believe all three of the finalists have a lot to offer the city of austin. And I appreciate the staff's careful evaluation of the submissions. I do want to note that -- that in my view I think that the staff's recommendation for -- for -- staff recommendations, the acp visioning and planning as well as the wallace, roberts and todd evaluation results were really very comparable. After careful review by myself and -- by me of all of the public input and all of the materials, I believe that -- that wallace, roberts and todd really brings the necessary

experience and perspective and approaching this very critical effort that we have to be successful in austin in the coming year or so. For example think that their understanding of the role of the staff, the citizens and citizen -- excuse me civic engagement in general is in line with what we really need in the city of austin to have a successful result and real ownership by the citizens of austin as commissioner ewing mentioned that's one of the areas that the planning commission really emphasized in their resolution that we received. I believe that they have -- they bring a broad approach to economic policies and fiscal impact of growth scenarios, that affect comprehensive planning which of course is going to be very important. They have the experience on the team to bring into consideration many aspects of the transportation element in planning and lastly I want to note that i think they have a very solid record of implementation of plans. So overall, looking at the experience and approach of wallace, roberts and todd, i think that they are the ones that -- that are the team that will -- that we need here in the city of austin for this critical endeavor that we're about to take. With that, I would like to make a motion that we approve the selection of wrt as our consultant for the planning comprehensive planning effort. And considering the importance of the scope of work in an effort like this, that we authorize the city manager to negotiate a contract with wrt and ask that the drafted scope of work be brought back eventually to council for final approval, but before that I would like to ask that -- that staff take it for discussion and review to the planning commission comprehensive plan subcommittee and if they so recommend, to the full planning commission and then also to the council land use and transportation committee for review and comment and then to council for approval and execution of the contract.

Cole: Second.

Mayor Wynn: So we have a motion by councilmember morrison, seconded by councilmember cole to select the team of robert -- wallace, roberts and todd llc for the comprehensive plan with additional instructions to staff. Further comments on the motion? Councilmember shade?

Shade: I just would like to say that I'm going to be supporting this motion and I -- I wanted to just make a few comments about this. First of all, I agree that -- I want to thank all of the finalists for -- for really amazing proposals. And I -- I think this has been a very good process and in the sense that we have slowed it down to get additional information and feedback. But that we didn't slow it down so much that we're not moving forward and so i wanted to make a special thanks to staff and community leaders, particularly mike trimble and greg guernsey for the extra effort as well as to liveable city for providing so much input in the selection process, particularly in these recent weeks and again emphasize that you were instrumental in slowing the process so we could be more deliberate and thorough in our evaluation of the finalists, but also you've been very constructive in your feedback. I think as a result of that we will have a much better process going forward, i thank you for that. You know, greg made in the opening comments about 1979 and I was -- I'm just really amazed that we called the austin tomorrow plan and we continue to on an ad hoc basis even when we are contradicting one part to another part, you know, that we are calling it austin tomorrow clearly it's yesterday, it's time to look forward. And I think one of the things that was very compelling in the wrt proposal was, you know, a recognition of the history that is -- has shaped our identity, but the recognition that, you know, we really have to move forward using accurate, comprehensive data and consider things that weren't even issues, issues of sustainability, how we do land use, et cetera, when we were half the size that we are now. I'm really looking forward to

working with them. I also wanted to call out one area that I really appreciated in the wrt proposal, which was their acknowledgment of where problems arise and how they address them in the past. This is a city that's unique in that we have unbelievable amounts of community participation. That is a huge part of it. But also recognizing that where there can be problems in the way that that's approached and how you handle those. I really appreciated their extra discussion on that. And finally, I think that i wanted to make a point to say that -- that, you know, our community is definitely ready to move to the next level. Now is a great time to do that. We have a city manager who is very committed to this. Has been since he got here because he comes from a place that is well planned in the sense that i updated every year, used as a tool for managing growth. It's campaign season, i realize everybody is calling for managed growth, smart growth, the need to keep austin austin, yet here we are in a flood to use chris' quote and we didn't have the ark. I'm very happy if there is a silver lining with our down economic situation that it's -- that we can now dedicate some time to thoughtful planning without it being dominated by booming development and so i think that would be the silver lining in this. So again I'm really looking forward to moving forward and I appreciate all of the extra work and time that folks put into this. So I'm happy to -- to vote for this motion.

Thank you, councilmember. Councilmember cole?

Cole: Mayor, I want to thank the community for slowing us down in this process and I agree to support wrt no, ma'am because they had a better transportation plan but they seem to want to also freely discuss the equity issues that we would have deal with in the comprehensive plan and I also got that assurance from my colleagues in several of the organizations that are supporting the plan. So I look forward to moving forward with this plan and addressing those issues, also.

Mayor Wynn: We have a motion and a second on the table. 22, awarding the contract for -- to wrt with additional direction to staff. Further comments? Hearing none, all those in favor please say aye.

Aye.

Wynn: Opposed? Motion passes on a vote of 7-0. Thank you all very much. So, council, let's see. I believe that's all of our potential -- [indiscernible] -- [no audio]

Mayor Wynn: We may have a chance for an additional three minutes of citizen testimony regarding our mighty texas dog walk here in a minute. But also -- regardless, here in a few minutes --

they will be back.

Mayor Wynn: Okay. I think we will have time to go into closed session just for a few minutes prior to the noon general citizens communication. For the record as soon as we hear this additional testimony, we will go into closed session 071 to too up potentially -- to take up potentially items 64 related to property and floodplain variance requests, property at 328 hartwood. We may also take up legal issues regarding the city council's authority and responsibilities regarding the position of deputy city clerk. We posted that as item 65 074 of the open meetings act. We may also take up personnel matters, items 66 and 67,

regarding the performance evaluation of our city clerk and/or municipal court clerk. Those will be our closed session agenda for the day. I anticipate us only being able to take up a portion of that prior to our noon citizens communication. Remember earlier we heard testimony and I thank you regarding the mighty texas dog walk. I believe we have some additional citizen comment regarding that event. Welcome. Sorry for the trouble.

Hello, can you hear me?

Yes, we can.

My name is chris hyatt, i wanted to thank you for having me, being so patient. I was running late this morning. But I wanted to thank you for your kind consideration in passing of the proposal to waive the fees for the mighty texas dog walk. Texas hearing and service dogs is an amazing program. It saves dogs lives and changes people like my life. , he's my service dog. And he is an amazing dog and -- so blessed to have him. If any of you have ever been to the mighty texas dog walk. You know what a wonderful event it is. You see every size, shape and color of dog around. It's just a really great program and a really great event and -- and I'm really happy that you know about the program and that you are supporting it. And that's really I don't have any prepared comments other than that.

Mayor Wynn: Well, thank you, chris.

Appreciate it. Thank you.

Mayor Wynn: So, council, that concludes then our potential discussion items prior to our closed session agenda as I read into the record a few minutes ago. And I anticipate, again anticipate us coming back 00 noon for -- for general citizens communication. But we are now in closed session as announced earlier, thank you.

Item income 64 related to property at 328 Hartwood, month decisions were made, now we're back in open session. Now for citizens communication, our first speaker is yesenia garcia, sorry if I'm mispronouncing that, welcome, you will have three minutes to be followed by rae nadler'olenic.

Welcome, please,.

Hello, thank you so much for having me here, I'm yesenia garcia, I work for an austin based company. I would like to thank the city council in advance for your time this afternoon. First I want to give you information about our company. Green roads it has been very successful in building a comprehensive approach to waste reduction and energy efficiency solutions aimed at helping companies lower their operational cost and resource consumption so they can then reallocate those funds towards promoting job growth and economic stimulation. Our agnostic approach and methodology allows us to objectively enter any organization, best practices, it objects. We assess the total cost of input and perform a consolidation study which results in a significant reduction of the total cost of operations. Ranging from five to 15 percent on the it side, about 25% or more on the data center and best practice side. Now,

more than ever, companies are seeing ways to cut costs. We constantly hear about job layoffs, decreases in services, and resource scarcity. Sustainability action plans are now being driven as much by the net economic gain associated with going green as they are by the altruistic vision of being responsible corporate citizens. Only a few years ago, most organizations, whether private sector, public or government, were most concerned with the total cost of undertaking green initiatives. Now, key motivators to pursue standard certification for construction, recycled materials and energy consumption is the reduction in overhead costs and gains in efficiency, creation of new jobs and retention of existing employees. As a company, we recognize that most corporate entities as well as municipalities may share similar challenges but retain their distinct inefficiencies. One of green rose it's core services includes providing an organization with a full assessment and a starting point for their sustainability goals. At this time I would like to read a quick excerpt from one of our white papers. Performing a sustainability assessment can provide any organization, no matter how small or large, with a green action plan. And guidance for implementing such a plan. Consulting firms who can provide work flow, paper energy usage and process analysis will realize major consulting opportunities as they lead organizations to streamline profits and maximize efficient use of resources. Such consultancies focus on green strategies, use less energy, taking less time, using less paper. They also help their client organizes improve accuracy, reduce waste from avoidable poor outcomes and empower better decision making and product lifestyles. This in turn lead to achievement of manageable, audible, accountable sustainability which communicates the environmental soundness of their internal green initiatives, action plans to employees, vendors, clients [beeping] partner organizations and general public. Ultimately the net positive outcomes of such action plans is realized in terms of reduction in paper waste, energy utilization saving, reduced environmental impacts and even sustainability standards certification. We are currently offering our green rose comprehensive solution through the texas department of information resources. Or texas dir. Our company's initiatives are to expand our solutions offering not only to the local community, but to our national and international community as well. Green rose it is actively developing avenues of outreach in the form of broadband media programming at events such as the international green summit, currently being held this november in portugal.

Mayor Wynn: garcia, you need to please conclude. Your time has expired.

Austin has long been known as a technology center and an advocate for green initiatives and any opportunity that I have to discuss with the city cio at further lent about the details in which we can help the city rede waste and improve efficiency would be much appreciated. Thank you very much.

Mayor Wynn: Thank you, ms. garcia. Our annexation speaker is rae nadler'olenick. You, too, will have three minutes to be followed by lisa hotchkiss.

Good afternoon, mayor wynn and councilmembers. Last month I tenanted the spring making in san antonio of the international academy of oral medicine and toxicology, a group of dentists and others who concern themselves with the toxicology of materials used in dentistry. griffin cole an austin dentist gave the kickoff speech. He talked about the recent csi episode which featured a death toothpaste scenario. Four times of fluoride necessary to do the job. Turns out to be suicide, presumably a dental tech's solution to ending it all. This is the stuff and our children willingly put into our mouths twice a day.

Moving quickly he touched on the highlights of fluoridation's long unsafety history, the shameful 1945 flip flop from denouation to -- the reports detailing its other uselessness for dental protection when -- when ingested. The relentless black balling of whistle blowers and much more. Of course there were plenty of technical lectures to attend, also. I took the opportunity to learn more about peridontal disease, a severe wide-spread infection of the gums that fluoride never claimed to cure. In fact makes it worse. I also met many interesting knowledgeable people, jeff green and david kennedy. Co-finders of citizens for safe drinking water, a san diego, california based organization that supports local grassroots movements to end fluoridation around the country. More than 200 communities, including capital cities, like honolulu, albany, new york and juneau, alaska have taken that step since 1990. The tide is turning, the website is www.keepersofthewell.com. And afterwards I went for a stroll on the river walk and -- and ran straight into this sign, please. That you see just owe on just a few steps off the tourist trail and here's the tank. Isn't that pipe to nowhe mean looking, like a snake ready to strike? Well, that's all that I have time for now. Thank you.

Mayor Wynn: Thank you, rae. Our next speaker is lisa hotchkiss. Welcome, you, too, will have three minutes, to be followed by ronnie reeferseed.

If I can make it through three minutes, I'm getting over bronchitis, excuse me if I start coughing.

Mayor Wynn: Okay.

I would love to be talking to y'all about -- about wonderful system of greenbelts that already exist in harris branch neighborhood and how that could be extended along the harris branch creek valley clear to i-35 in austin. I would love to be telling you about how there's room for -- for wind generators in harris branch. I would love to be telling you about the people who have ideas for using our beautiful parkway to -- to plant orchards and gardens. But instead I'm going to be talking to you all about transportation. This ties back to number -- whatever it was, 35 on your agenda. About the howard lane project. So basically you have howard lane up here, one end of which is harris branch parkway. Here's the little neglected harris branch parkway that nobody ever bothers to fix. Running north and south from that to -- to another pet project in current transportation plans, which 3177 decker lane project. Without any thought about the impact that any of these projects would have on harris branch, you sure have put this neglected neighborhood smack in the middle of road projects for northeast travis county. And so I would like to know how it is, how it is, that you are going to -- to congratulate yourselves on a project up here and a project down there that obviously has harris branch parkway to tie them together when you have no plans to improve harris branch parkway itself and no plans to consider the fact that harris branch is -- is a family neighborhood and that elseere in austin you have actually recognized the fact that -- that residential areas should be protected from becoming highway shortcuts. It seems in this case that you not only want to make this a shortcut without repairing the road, but you want to just by sect a family neighborhood and sacrifice that neighborhood really for the same of people elsewhere. I don't see why that's necessary. I don't know why you can't have the best of both worlds. So what I would urge that you please contact the harris branch neighborhood association and put something in place to keep harris branch parkway from being a speedway for other people's convenience to the detriment of people who live in the neighborhood. Put in some speed bumps, put in some stop signs, put in some cross walks,

spend a few thousand dollars to help the people in this very neglected neighborhood as they struggle with your multi-million dollar road projects that are going to help everybody but us. Thank you.

Thank you, ms. hodgekiss. Councilmember morrison.

Morrison: I wonder if we could ask the city manager to maybe have mr. Spiller or someone speak hodgekiss and talk about what kind of plans there are, traffic calming, those confidants things, make sure -- those kinds of things, make sure that we understand the situation. If you all could get back to us and let us know, that would be great.

Mayor Wynn: Yes, thank you. Our next speaker is ronnie reeferseed, who also will have three minutes to be followed by colin clark. Welcome, ronnie.

Thank you, sir and, yes, you got my name more or less right. Howdy, I'm ronnie reeferseed. And I'm here to -- to once again speak about our sacred constitution and how much it still helps us all remain relatively free, god bless guns! And as you know the second amendment to our sacred constitution keeps on keeping us all free from foreign entanglements, federal government enslavement, et cetera. And just -- just try to imagine how 100 million gun toting freedom fighters, patriots among us now, how anybody could imagine attacking us. Nobody. Here or abroad can even imagine conquering our nation without disarming us first. Well, by golly, say hello to our very own mirage of a messiah, barrack the gun grabbing traitor obama. For example, as a mere state legislator in illinois, obama led the charge to deny all americans access to any guns ever. That's right. Obama introduced legislation to take a gun guns from all law abiding citizens, then truly only criminals will have guns as is the case in england right now since denying their law abiding citizens in england the right to have guns, violent crime has gone through the roof over there. And now even the bobbies have to carry guns for the first time ever. In hundreds of years. They never had to carry them. Now they do. And let us all learn from their poor example. Let us all face reality and act accordingly. Guns exist. To pretend otherwise is foolish and irresponsibly provocative, in my humble opinion. Yes, it's true, some people die from gun violence, some people die from car wrecks, too. It's also true that the potential presence of guns prevents crime every day and saves lives from violent crime. The fact is that states like the mighty nation state of texas that grant their law abiding citizens the right to conceal and carry their own guns have been seen as continual lessening of violate crime as a result. Think, people, which would be a better prospect for criminals doing home invasions? The home of gun toting citizens or the defenseless home of someone who has no guns, obviously. Criminals prefer for their victims to be defenseless. And -- and/or just imagine that you are an anmy of our nation who wanted to hurt us all. Is it not obvious that a well-armed citizenry is a big-time discity of san antonio to anyone who is thinking of -- disincentive of anyone thinking of attacking us here. The sacred constitution shines more brightly thanks to our nation's gifted founding fathers. Again for example the freedom of political speech that we all take for granted here can still be enjoyed everyday at www.infowars.com ONLINE Here in austin we can all hear alex jones and others 00 weekdays 00 on sundays, lots of other information, great shows each and every week. Thank you so much. Sacred constitution.

Mayor Wynn: Thank you, ronnie, colin clark, welcome, you, too, three minutes to be followed by linda

green.

I wanted to speak on water conservation. I guess they had fluoridation on their mind. I am here to talk about water conservation. I would like to ask you to think about some differences between our energy utility and our water utility. Austin energy is often described as innovative, cutting edge, forward thinking and a national leader. And I think we can thank Roger Duncan for a lot of that, bringing forward innovative measures, especially on energy conservation. Would anyone describe Austin water utility as a national leader in conservation? I don't think so. We're not even leading our state in water conservation. And officially we aren't -- we don't have a goal to become the most water efficient city in the state. As far as budgets go, Austin energy budgets 4% a year to conservation. The water utility budgets 3%. But they don't -- in many years they don't actually spend that much money. They are leaving conservation dollars on the table year after year. Recently heard that Austin energy is forecasting that because of the economic downturn there's going to be a reduction in electric demand, that will allow them to have some appreciation on expanding electric supply. So I would like to ask is the water utility forecasting something similar? People are belt tightening. Are they going to use less water? If so, do we need to rush ahead with the \$500 million water treatment plant number 4? So there are a lot of things that the water utility could do to reduce peak day demand. They are doing some of them. There are a lot more. But I don't think that they're going to be bringing forward to you the kind of innovative, cutting edge, national leading conservation measures that we really need to stave off a very, very expensive boondoggle and to get there they really need a directive from the council to become the most water efficient city in Texas. They're not going to do it on their own. So one simple thing that the council could do is to set a goal for this summer, that we don't exceed our peak day use from last summer. Last summer we had a big drop, probably because of the watering schedule. But officially, the water utility is -- you know, they haven't updated their demand projections to show that water use dropped. So officially they are thinking they are complying with their directive if -- if we increase our peak day use from 220 million-gallons a day to 240. So you all could tell them, hey, guys, we did a great job last summer, let's try to do it again. That would give them a little oomph to do that. I just finished with a bill from friends of mine in Albuquerque, highlighted there you show your actual use compared to your residential actual use. You're getting a briefing at 2:00 on billing updates. Let's hope it doesn't take two years to do something simple by showing people how much they use compared to the average. Thank you.

Mayor Wynn: Thank you, Mr. Clark. Mr. Ott?

Thank you, Mayor Clark, simply put, by and large I agree with you and in fact recently have had a conversation -- conversations with the ACM, assistant city manager within his service group is the water department. To tell you the part of your comments that resonate with me is because I used the same analogy comparing the leadership displayed by Austin Energy as a standard by which we could approach water conservation. So they have in fact the gauntlet has been thrown down, so to speak, we are going to be looking for ways to be leaders in regard to -- to water conservation, it's consistent with my message to the entire organization, to become recognized and known as the best managed city in the country in order to -- to further council's vision of becoming the most liveable city in the entire country. So we are aware, we are focused on that issue and we're going to work hard to move steadily

in that direction.

I'm happy to hear it. Let me know how we can help.

Mayor Wynn: Thank you, mr. clark. Our next speaker is linda green. Welcome, ms. green. You, too, will have three minutes to be followed by ted roan.

Hello. My title is organic gardens versus fluoride because we can't really have organic gardens in this city with the industrial waste fluoride that's in our water. But on a lighter note, happy earth day. Yesterday was earth day. And yesterday was our 40th earth day. I was 20 years old when senator gaylord nelson declared earth day 40 years ago. I was inspired along with the small grassroots group to work with our denver mayor to create the mayor's neighborhood garden project. Which is still thriving today. Our neighborhood garden practiced organic principles, that is no petrochemical fertilizers, no synthetic chemical pesticides, herbicides, fungicides. I had a really hard time celebrating earth day yesterday after watching a very disturbing p.b.s. Documentary the night before on front line and it was called: poisoned water. It focused on, and I quote, the perilous condition of the chesapeake bay and the puget sound contaminated by industrial and agricultural waste. In spite of the clean water act passed in 1972, the toxins found in the drinking water across the country pose a threat to fish, wildlife and human health. Unquote. That was from a documentary on front line the night before last. In 1972, the same year we passed the clean water act, often voters were bam boozed by the fertilizer industry and other groups and voted to add to our water, without our informed consent, a drug from the scrubbing towers of the phosphate fertilizer industry. Our fluoride is from the scrubber liquor in florida, a fertilizer waste. Not your little pretty purple and green rock from west texas. There is no e.p.a. Requirement for fluoride. 98% Of europe doesn't fluoride and has the same or better tooth health as americans. Last friday I hand delivered this 30 minute video produced by the fluoride action network, we of the fluoride free austin task force invite you to join us in watching it again at casa de luz on monday may 11th and learn why you must do the right thing and vote fluoride out of our water so we can have organic gardens and safe drinking water and we can truly celebrate earth day next year with organic gardens free from fluoride. I have given you this book which you all have had. I gave it to the mayor, the fluoride deception. Thank you.

Mayor Wynn: Thank you, ms. gruene. Ted roan, welcome, ted. Again, you will have three minutes followed by richard halpin.

Thank you, mayor, council. I was recently asked to go and lead a group of young people through an international youth foundation to replicate a type -- the type of homes that casa verde builds, replicate that home along with young people like christian and donovan. I would like, mayor, if you will allow it and the council if I could -- if i could donate the rest of my time to richard and let him tell you about the project and how the young people and how big of an impact they made. Can I donate the rest of my time to richard.

Mayor Wynn: You may, excuse me, yes.

Hello, mayor and councilmembers, I'm richard halpin, here with american youth works. I have also brought a , a friend of yours who wanted me to say hi, he's going to come up here in just a second. You asked me to bring this gentleman to austin to get him involved in the work we're doing here. Now councilmembers he's taken the work we're doing, could you play that d.v.d. For me, he's taking the work that we're doing here to the white house. [Audio low]

we do it right, we're not just going to beat pollution. We're going to beat poverty. This is real, real, huh?

This is real.

Look at that. You see. First thing that you see, let you know, it's the real deal. It's not that big incandescent light bulb.

Hardy plank on the outside.

This is pureed concrete with a 40% fly ash factor.

Is there a way to set it up to come through the house.

Built to be cool.

[Indiscernible]

recycled metal on the roof here.

We might spend a little bit more money, 7% more money one time on the building. But then we're going to save 30, 40% from now on.

So I think -- thank you for encouraging me to meet dan jones. Ted and I are now on the national intervene builder, green for all workforce council with them. jones was very excited about the houses that you allow us to build. Councilmember cole, because you invest in these extraordinary young people. I wanted to follow up with what ted said about being evented and building an afford green home with mrs. obama. We are going to show some of obama working with us building these homes. You have an extraordinary product here with the american youth works, casa verde build program. Several of you have been to the site and seen these homes, five star energy efficient homes best in the state if not the best in the nation. The home we built in washington is on its way to brownsville texas for a single mother with three children whose trailer was blown away in the storm ike. We are setting that home up in brownsville. I wanted to talk to but expanding this to a green jobs training center. If you will open your packet on the right-hand side, take out just the first three sheets, follow along with me if you would. I bring you terrific news today. What if we propose the austin green collar jobs training center? I know the city is tight for money. You have known me many of you for many, many years. I never come to you and stick my hand out, say give us money we do good things. We save lives, we get people ready for jobs. I come to you and say hey we have raised a million, two million, we have investment, social entrepreneur

opportunities here. I come to you today to share this with you. This green jobs clean collar jobs training center, there are 97 bills in the texas legislature right now on energy. Two of those bills alone would create 40,000 new energy jobs in the state. Who will fill those jobs? Why not our austin? Why not us being the mecca where the job training is being done? We propose to you an innovative accelerated green jobs workforce training program, building america's future, building austin's future with real skills and real green jobs. The green collar jobs training center we propose to partner with you will be open days, evening, weekends. The population to be served everyone who wants to earn industry level skills for living wage green jobs. What, mayor, about those most marginalized populations of ours left behind that cost us between half a million and 5 -- \$5 million each? And if you will -- if you will turn to the third page, you will see we have a copy of the general funding pie chart for the city of austin. No one knows better than you do the increasing costs of public safety. And how much that eats away at the opportunities to do the other things that you envision for our community. So we can stop the public safety costs by investing in austin's most marginalized populations so they become taxpayers instead of tax spenders. We will teach, we have done all of the research to find out where the jobs are going to be for austin. So we propose to do the training based on where the jobs are going to be. We propose commercial and home building energy management. If you will look under sustainable building sciences. We proposed building controls, solar technicians and installers. If you would look with me at the second page behind that one I have a list of green jobs, solar jobs for people with high school diplomas and g.e.d.'s. These are living wage solar jobs coming to our community. There's all the documentation that you need to know about what those jobs are and how, if we get ahead of the curve, mr. Leffingwell, you know that by getting ahead of the curve we will be getting people ready for the jobs that are coming in the future. I know that you guys know all of this, but I haven't presented, no one has presented you with a million and a half -- a -- we have a million -- we have two million, we have a million-eight raised for this project so far. That's to renovate the building into a lead certified building and to pay for many of the workforce training programs. You have a seduced fund that can support -- seeded fund that -- cdbg fund that can support, I ask you to invest \$500,000 of your cdbg funds in making this reality come true. In addition to this, we're working at the state level. Extraordinary young people like these here, including ted who is also young, have -- we have a bill in strama's committee to replicate this program across texas and serve hundreds and hundreds of young people to become a green job state. Mayor, thank you so much for your attention, appreciate it.

Mayor Wynn: Thank you, again an impressive story. Do know by the way coincidentally this evening we will be conducting our public hearing on what we call our consolidated plan for the housing and urban development department that includes, partially includes things like how we allocate cdbg funds for different programs.

I didn't know that. Where is that going to be?

Here at the council chambers sometime after 6:00.

I looked for that.

Item no. 91.

Okay. Thank you, thank you all.

Thank you, richard.

Yes, councilmember shade.

Knowing richard as well as I do, I bet that's not a coincidence that you know that tonight is the night for that. If you are pursuing the youth fill money and if so how can we be of help.

We are pursuing that as well as the corporation for national and community service dollars. I have to always read --

Shade: Right but the americorps dollars are increasing and then american youth build and you are going after all of those. Are there things that we can do to help you there?

Yes, thank you. I think you all know this. I would like to brag on what you have done for just a minute.

Shade: Don't talk about me.

Yes. We're going after the youth build money. Ted is now going around the nation teaching the green jobs youth build skills that we teach here in austin to cities all over the united states. So we are the national green build for the youth build movement. We have gone after that money. Go after more of it. We will go back home -- the two that you just met have a real shop at a living wage future.

Mayor Wynn: Thank you, mr. halpin. Let's see. policy robbins signed up to give us -- paul robins signed up.

Martinez: I'm sorry, real quickly I wanted to make sure as we talked about in some of our other social service contract, you know, american youth works really is about economic development and not necessarily social service related. While it does have a tremendous impact socially in our community, I really hope that going into any future agreements with american youth works we look creatively at where those funds come from because i think it has a tremendous economic impact on the community with the work they do. Thanks.

Thank you.

Mayor Wynn: Mr. Robbins, welcome. You, too, will have three minutes to be followed by gus pena.

Mayor, council, citizens of austin, I'm paul robbins. I'm an environmental activist and consumer advocate. I have been involved in austin's politics since 1977. I often prepare speeches but I've been up too many late nights lately. Writing a book. So I'll mostly wing this. As the cliché goes speak from the

heart, which in this venue can get you in a lot of trouble. If you add up all of the years that all of you collectively have been on council, you will not have been on council as long as I have been an activist. I don't want a medal. I want my right to vote. Article 7, chapter 11 of the city charter, says that citizens should approve revenue bonds that fund utility projects. Water treatment plant number 4 will cost roughly \$500 million, and this will be voted without voter authorization. This will be approved by couple without voter authorization. Now, I will concede that not every person is as active as I am. Some people have families. Some people have children. Some people have careers. And that's okay. But they pay their taxes, they work hard at their jobs, they raise their children, they are contributing members of this communities. So why are they being disenfranchised? Why are these contributing citizens of Austin not being allowed to vote? In essence, why don't you trust the citizens? Why do you go on the campaign trail and tell the voters you want them involved, and not even allow them their right as specified in the charter? The whole situation is just cynical, council. You trust us to vote for you, but not for -- but some of you don't trust us to vote for issues that affect our daily lives. The bottom line is that many city leaders, and that would include some members of council as well as some members of management, don't trust their own voters to be responsible citizens. It not very polite to say this out loud, but that's really the bottom line. The city collectively does not have the courage to sell water treatment plant 4 to the voters. [Buzzer sounding] thank you.

Mayor Wynn: Thank you, Mr. Robbins. Let's see, I believe our final speaker today is Gus Pena. Welcome back, Mr. Pena.

Good afternoon, Mayor and Councilmember. Mr. City Manager, Gus Pena. I want the record to reflect that last Monday there was a meeting of the City Council to deal with the single member district issue, specifically the bill, Senate Bill that Senator Jeff Wentworth is proposing. Let the record reflect back IN THE LATE 00s, EARLY 90s AND LATE 90s I had -- I was always there to support single member district issue. What I in membership and others we cannot allow to happen is that the state law mandate to the city of Austin residents who are the ones who should vote on this issue and not the senator and his -- the rest of the senators and representatives. We have the votes and I would not suggest, I would tell you, that we have the votes to override that bill and not allow it to pass into law. That's why we have the city charter. That's why we city of Austin residents have the right to vote for what we want to be implemented into law. Anyway, having said that, I am for single member district. I was interviewed by a television station, I just wanted the record to reflect that the reason that I am opposed to this initiative is because we have to have a city charter. We are not going to let the state of Texas tell us what, department of justice, another matter. Anyway let me read this into the record, to discuss city issues and budget, crime is on the increase. We need more officers on the streets. Please, if you increase the funding for the social service agencies, poor, needy, have nots. The volume has increased. People who are less fortunate. Poverty increases, the need is greater. Please supported military veterans, they need jobs, affordable housing, health care, mental health treatment. PTSD. Post-traumatic stress disorder. Something that we had a lot of in the Vietnam veterans treatment. Suicide rate is high. Please increase funding for youth programs and senior citizens program. Bring in an equitable process on Morris Williams golf course. Let the record reflect also, what occurred yesterday, I can't remember -- I was in the hospital with Lucio, at Dell's, remember that this is a proposed budget -- this proposal is not set in concrete. You will have the opportunity to bring your concerns and input to all public forums. And -- as

the city manager has so professionally and at substitutely mentioned, this is -- astutely mentioned this is just a proposal, nothing set in concrete. I respect you city manager for clarifying that for the issue and for the people, lastly we are still urging the governor to accept a stimulus package. If the governor vetoes the acceptance by the house and senate, we feel that we have the support in the house and senate to override the veto if the governor chooses to do so. We are lobbied all senators, all state representatives, speakers of the house, lieutenant governor and i have attempted to meet kimbrow the chief of staff for the governor, a marine also vietnam veteran. We still have that set. I have set it in concrete. But I feel we have support to override the governor if he so chooses to veto the stimulus package. We need it. The city of austin needs it. Anyway I'm gone. I have to go see my sick boy over there. Anyway, thank you all very much for the prayers and continue the march and -- and look forward to hearing what they say in the public forums, thank you all very much.

Mayor Wynn: Thank you, mr. pena. Council, that concludes our -- our lineup today for general citizens communication. There being no more -- discussion items or business that we can take up before -- before the -- the afternoon briefings, we will now go back into closed session to finish our executive session agenda items for the day, those being pursuant to section 071 of the open meetings act, potentially taking up 65, legal issues regarding council's authority, vis-a-vis the position of deputy city clerk, 551 own 074 of the open meetings act, especially items 66 and 67 the performance evaluation of our city clerk and municipal court clerk. So we're now in closed session. I anticipate this closed session lasting until approximately -- approximately 3 or so. At which time we will conduct our afternoon staff briefings, that should then lead us directly into our zoning cases. We are now in closed session, thank you. I anticipate this closed session lasting until approximately -- approximately 3 or so. At which time we will conduct our afternoon staff briefings, that should then lead us directly into our zoning cases. We are now in closed session, thank you. earlier this morning we spoke about a property, and this afternoon in close session we took up legal issue item 65 regarding the city council's authority and responsible regarding the position of deputy city clerk. Then recently, we just have completed our performance evaluation, item 66 and 67 of both the city clerk and our municipal court clerk. We are posted for action items 51 and 52 related to personnel matters and I think we will take those up later in the day some of we have now ended our executive session agenda for the day. We're obviously very late with our afternoon briefings, and so without objection, council, austin energy, which was going to give the presentation, item number 68, the briefing on the proposed purchase 6 a new customer information and billing duncan and other austin energy officials have agreed to send our offices that briefing here electronically and otherwise in the next w minutes, it will remain on next week's agenda and he will be prepared to give that presentation again next thursday if we need it after reviewing the information we receive in our offices. But do we want to conduct items 69 on the barton springs pool assessment.

Thank you. I will give you a brief joe overview and I have stewart strong and walter passmore here if you have questions I cannot answer. We have an overview so we will start with that. The background, a brief background where we are to make sure and state that parks and recreation is -- I will do these, I guess. Is committed to being a great steward of our urban forest and that each year we plant more than 2300 trees while we only remove, if shoutlines trees that are damaged or fallen, approximately 500. Nationally the, trend or the goal is to take care of your trees about every seven years. Unfortunately, we're on a cycle of about every four years, per tree. Pour, we do try to work on those on a monthly basis

because it is a high traffic area and does exceed sometimes over thousands of people or over a week hundreds of thousands, including big events. Over the decades, we've made special' tempted to sustain the aging trees owe around the barton springs pools. However, do they periodically fall, such as the one in the picture here. This was on a thursday when the pool was not open and that is a good thing because it was a rather large tree and we're concerned about certainly the safety of our community members and our guests. The reason that we ended up with an assessment of the trees in the first place was when the barton springs master plan process began in 2007 in the summer, we identified areas and trees of concern. They brought it forward afternoon suggested that the city take a closer look at those trees and perhaps hire a consultant to look into the status and health of those trees. So as a short-term goal, a certified agriculture company was hired to professionally address and assess the trees in the pool area. In fall of 2007 our own urban forestry staff identified seven unhealthy trees. Most were hack berries and many were already dead trees and tagged 45 other trees of concern we then asked this company to look at and assess. And in october of 2008, the davey resource group was hired to conduct this assessment and did so after being the only bidder from three attempts to solicit bids. This davey resource group uses industry standards in assessing trees and what happens with trees, looking at everything from the radar imaging of a tree, which is now a new technique instead of a thing calls resist-o-graph which drills into the tree, takes an image of the tree, similar to a cat scan or mri them look at the leaves and foliage of the tree, soil around the tree and. Base of the tree, a root analysis that sees if the roots are strong, are they holding the tree up where is it located, does it get the right nutrients. Pedestrian traffic being one of the highest issues for us in the fact that so many people are around the trees. The tree location, whether it is close to a building or wind exposure and it is out there in the elements, we don't have this listed but could-dominance, is it attached to another tree, leaning on a tree. Wound wood which means at times damage to trees through weed eating or a car has hit a tree or even to the extent of a tree being damaged through natural occurrence through lightning, heavy wind, and then shoot growth and twig die back which is whether it is actually growing new limbs. This report was shared primarily due to issues around public safety. After we received the report and the ranking range from anywhere from one being the lowest to 12 being the highest of concern, we had approximately 28 trees that ranked anywhere from nine or above and wanted to make sure this information was shared. We took it as a draft report, went back and made changes and then we accepted it and still draft form but felt like we needed to share the information due to some of the trees posing a safety issue. The davey resource group has recommended the potential removal of 22 of those 46 trees, and our staff, of course, are very concerned about the public safety regarding some of those trees. One of the trees we're doing right now is trying to reach some resolution working with some independent arborists and foresters to look at is this report a true showing, do we need to look at some other professionals in the field to help us in deciding the factors, so one of the things we're actually doing is taking two guided tours, one with the joint environmental board, parks, board, and one where citizens can walk through, see the trees and talk about the trees, the tree structure and how healthy it is and we've ask a state forester to look at this report and tell us whether or not some of the things in question are something we ought to be concerned about more or is it something we can work with in stabilizing the tree. We're also developing a maintenance plan that we'll have ready in june that will talk about how do we move forward from here. How do we take care of the trees we have or the ones we can save and not let this happen again, and if we take any trees out, how do we create a planting plan to work better

with our community and engage them in helping us take care of our trees. So I wanted to show you this to show the extent of what we have and our staff who do such a tremendous job. This tree is well don't in barton springs and it is filled with concrete. The black indicates the concrete. The brown indicates solid wood. The orange and red indicate decay and the agree indicates early stages of decay. ... Not we, but how the experts tell us whether or not a tree is healthy or has the likelihood of eventual failure. Again, though, our efforts have been to try to save these trees and keep that canopy there in our natural environment and we recognize that. Just 20 reiterate that we're not recommending any action take place until there has been a full public review and we've had an opportunity to share this information not only with our parks and recreation board but with the city, our city forestry board and our other groups that would like to have a briefing. So we posted here for information for the public as well as for your knowledge. We have four more meetings, one will end June 15 as a joint environmental parks board committee meeting before we will have a staff recommendation of whether we can prune some more back, work at stabilizing some of these trees, we can work some other experts to think of other ways to save our trees and look at, if necessary, to take out trees what the trees will be and the support of taking those trees. And that is the end of the presentation and we will be happy to entertain questions.

Mayor Wynn: thank you, Sara. Questions for staff, council? Comments? Councilmember Morrison.

Morrison:

I want to thank you for really trying to step back and step out for us to take a careful look. In some ways I could say welcome to Austin. People are passionate about trees, people are passionate about Barton Springs and we've got both of those here. I also wanted to remind everybody, and I think this will really help us in the future for any of the other issues that come forward and the items from the Barton Springs master plan and that is the resolution that we passed, when the council adopted the plan, have one piece of the resolution that said the joint sub-committee of the environmental board and parks and rec board should continue in an oversight capacity, hosting representatives of all stakeholder groups as short-term projects ever implemented and long-term projects are considered in the future. To me, what that means is before we move forward with any action from the Barton Springs master plan, long-term or short-term, I think that we can really count on and should count on those actions going to the joint committee for us to make sure that there is public review and that way I think that we will have a little smoother going in the future.

Absolutely. And actually that is exactly where we plan to end up, is back to this joint board who so graciously sat there for four hours and 15 minutes with us, and truthfully, this is a good exercise for all of us that most of the people we met the other night are enthusiastic about helping us, they care about their trees as we do, and I think from this we will have some great partnerships of how we move forward in taking care of our trees.

It is a perfect example of how we're listening to folks with the expertise in the city we will end up in a better place. I think one of the things that pointed out in this conversation that you mentioned is that it helped us identify how we need to do better, in terms of taking care of our trees and maintenance and

replanting, so i appreciate your attention that also.

Thank you very much.

Thanks.

Mayor wynn: further questions? Councilmember leffingwell and then shade. yeah, I don't think I want anybody to walk away from here thinking that these trees are in trouble because of neglect, because i think we've done a good job of maintaining the trees, it is just a natural life span thing. Many of these trees are trees that have a, you know, 50, 60-year natural life span and that somewhat we're faced with here.

Absolutely.

Councilmember shade. I just wanted to echo my thanks to sara, new on the job, and this is like hurry fast, welcome to town. And I also want to thank all the people on the joint committee as well as on the individual commissions that are looking at this and boards, and the amount of people who have shown up and given us their input. It takes a lot to take time out and come and add your peace to our efforts here and I really, really appreciate everybody doing that and I appreciate sara and her staff so much for being so open to it so I want to say thank you so much.

Thank you.

Mayor wynn: further comments? Questions of staff in again, we do appreciate the additional information and opportunity for the foul become far more aware and engaged.

Thank you.

Mayor wynn: thank you, sara. Council, again, those that didn't hear, we decided to postpone the briefing, item number 68 from austin energy, they have agreed to send our office the information in a few minute electronically, otherwise we will post for potential action next thursday and roger duncan and others will be prepared to give that presentation again thursday should we need it before action. 00 zoning matters. And welcome mr. greg guernsey.

Thank you, mayor and council. My name is greg guernsey with the neighborhood planning and zoning department. 00 zoning ordinances and restricted could have nances. Items where the hearings are closed and we can offer for consent. Item 70 and 71 are related, these are prompted in the 1600 block of east mlk. We have a valid petition so i will come back to those in a moment. Item number 72 is case number c14-2008-0204. Known as 6516 and 6520 south 1st street williamson creek

>item number 73 is case number c14-2008-0232, downstream 973 known as 3026 south fm 973 road this is ready for consent approval on second and third reading. Item number 74 is case number c14-2008-0235, downstream 973 mary street. He this is to zone the property neighborhood commercial or

conditional overlay, this is ready for second and third reading approval. And finally, item number 75, this is case c14-2008-0248. North loop pub. 100 East north loop blvd. This is to zone the property commercial liquor sales, conditional overlay or neighborhood plan, combined district zoning. You may recall for this particular item at second reading you asked us to contact the neighborhood planning contact team and we have done that and received some correspondence. We also contacted some previous yum members and that information is in your back up of previous contact team members. But the information we received back is the planning team has agreed by declining to vote on the issue it wouldn't be fair for the applicant to try and introduce specific definitions of what a pud is at this time. And so although they did consider it, they did not take a firm position on this item. Some members said in the past they recall it didn't include alcohol, some maybe not. Staff still recommend it is for your approval today. So that concludes the items I can offer by consent. guernsey so council, the proposed consent agenda on these cases where we have already conducted and closed the public hearing would be to approve on second and third reading item 73 -- item 72, 73 and 74 and to approve on third reading item 75. I'll entertain that motion. Motion by councilmember leffingwell. Seconded by the mayor pro tem to approve the consent agenda as proposed. Further comments? Hearing none, all in favor, please say aye? Opposed? We have a motion to second on the table. Councilmember morrison. Thank you. added me to oppose it can. The pub. I will go all the way. we have a motion and second on the table approving the consent agenda as proposed and for the record I will note a couple of opposing votes for item 75. Further comments? All those in favor, please say aye? Opposed? a vote of 7-0 with exception to item 75 which has a vote of 5-2 with councilmembers shade and morrison voting no.

Thank you, mayor and council. 00 zoning and neighborhood planning amendment items. These are public hearing, they're open and possible action this evening. Item number 76 is case number c14-2008-0006, stubbs south. 801 And 803 red river. Zoning to central business district-/central urban redevelopment cbd-cure combining district zoning. to grant central business district- central urban redevelopment- conditional overlay cbd-cure-co combining district zoning. This is ready for consent approval on first reading only. Item number 77 is case number c14-2008-0007, stubbs north. Known as 605, 607, and 611 east 9th street; 811, 815, 817 and 819 red river street. Central business district- central urban redevelopment cbd-cure. to grant central business district- central urban redevelopment- conditional overlay cbd-cure-co combining district zoning. Item number 78 is case number c14-2008-0183. -- Excuse me, you didn't give the recommendation for action on item 77.

Apartment. That was recommended by the planning commission with cbd-cure-co combined district zoning, first reading. first reading, thank you.

Item number 78 is case number c14-2008-0183.sh. Lexington parke. North of pearce lane and east of sh 130. Staff is requesting postponing of this item and the zoning and planning exhibition will review this at their may 5 agenda meeting. Item number 79 is case number c14-2008-0247, buckets deli as 2020 east cesar chavez street the applicant's agent has sent us an e-mail today and has withdrawn the case so in is no action required on bucket's deli this morning bass the case has been withdrawn. Item number 80 is case number c14-2009-0008, shoalmont park. Crestmont drive. Family residence sf-3 district zoning to public p district zoning. to grant public p district zoning. This is ready for consent approval on all three readings. Item number 81 is case number c14-2009-0009, capital metropolitan

transportation authority. Ne maintenance and service facility. 5316 E. bluestein blvd. Community commercial- neighborhood plan gr-np combining district zoning to general commercial services-conditional overlay-neighborhood plan cs-co- np combining district zoning. to grant general commercial services-conditional overlay- neighborhood plan cs-co-np combining district zoning. This is ready for consent approval on all three reading, however the agent for the applicant with mwm design provided us a letter saying they have offered and staff was certainly not object to this to add 20 additional prohibited uses to the property, so you would have the co adding aing a sales and service, automotive rental, automotive repair services, automotive sale, automotive washing of any type, campground, construction sales and services, drop off recycling, collection facility, equipmentization, exterminating service, food sales, funeral service, kennels, monument retail sales, pawnshops, pet service, plant nursery, service station, vet services and vehicle storage as additional prohibited uses and this is clear enough direction if you want to approve this on third reading with the additional 20 uses being added, we can accommodate that and have that consent approval on all three readings today item number 82 is case number c14-2009-0014, parkway village. 5701 West slaughter lane springs zone from community commercial-conditional overlay gr-co combining district zoning to community and to grant that request for gr-co combined district zoning and that is ready for consent approval on all the three readings. Item number 83 is case number 25(de), six two story condos. 2222 Road dry creek. That will and discussion postponement item. Item number 84 is case number c14h-2009-0001, mcmillen-falk house. 4213 Avenue d. Family residence-neighborhood conservation combining district sf- 3-nccd combining district zoning to family residence-historic , recommended for approval by the historic land mark commission and zoning and planning commission and this is ready for consent approval on all three readings. Item number 85 is case c14h-2009-0002. Frank and martha jones house 1001 willow street. Residence-neighborhood plan sf-3-np combining district zoning to family residence historic landmark-neighborhood plan sf-3-h-np combining district zoning. In is also recommended by the landmark commission and planning commission and this is ready for consent approval on all three readings. Item number 86 is case number c14h-2009-0003. Johnson-haines house. 1148 Northwestern avenue. Family residence-neighborhood plan sf-3-np combining district zoning to family residence-historic , this is recommend bid landmark commission and planning in addition to approve sf-3-h-np combining district zoning. I understand councilmember cole may want to say a few words about this particular item, item number 86. item number 86 is important because it is the johnson haines house, the home of sally johnson who had it built around 1930 to replace her earlier home on the site. Sally johnson was born into slavery in travis county, her story is through interviews and it is important we recognize it.

Thank you. Item number 87 is case number 02, mueller pud 4550 mueller boulevard. Planned unit development pud district zoning to planned unit development pud district zoning to change a condition of zoning. It is recommended by the planning commission to grant the pud or pud quick zoning with changing conditions of zoning. This is ready for all three reading, as well. However, I would like to note that on exhibit e, footnote number two, that there is a slight change to that footnote. And this deals with the exterior side yards for where building walls were facing each other that they must be separated instead of seven feet it is shown as five feet. These buildings will be built to our residential building code standard voice want to ashoe sure of you that but there did -- assure you of that but there is one type-o that leads toe corrected with that change we can off all three readings today. And finally, item number

88, case number 02, east avenue pud 3400 north ih-35 svrd sb. They are still working on this item and it is ready for consent postponement of item number 88 to may 21. That is a consent postponement by the applicant, the neighborhood agrees, for postponement of item 88 to may 21. That concludes the items I can offer for consent approval on this portion of your agenda.

Mayor, I had a question. I heard from people involved in the cases and there are two of them, is there anyway he can do those on all three readings.

We don't have an ordinance ready today. .. these are similar mel enough ordinances we can work with the law department and have these on next week.

I don't see any reason not to do that then. That would be great. council, our proposed consent agenda on these cases where we have yet to hold the public hearing would be to close the public hearing and approve on first reading only item 76 and 77 postpone item 78 to may 21, 2009. Note that item number 79 has been withdrawn tomorrow close the public hearing and approve on all three readings case number 80. To close the public hearing and approve on all three readings with the additional list of 20 additional prohibited uses. Item number 81. Close the public hearing and approve on all three readings case number 82. And 84, and 85 and 86 and 87 with the additional comments read into the record, and to postpone item number 88 to may 21, 2009. I'll entertain that motion. Motion made by councilmember morrison. Seconded by councilmember martinez. To approve the consent agenda as proposed. Further comments? Hearing none, all those in favor, please say aye. Opposed? Motion passes on a vote of 7-0. We quickly take up our postponement discussion, item number 83.

That's right. Item number 83 is case number 25(de), six two story condos. 2222 Road dry creek. We have a postponement request to june 11, they recently found out issue, environmental issues relating to this property. The applicant's agent has indicated they would be willing to postpone but they would like to be postponed, as i understand, to the 14th and both parties are here. The neighbor is here and the applicant agent is also here so I will let them come up and intercue themselves and speak to that for the record. thank you, mr. guernsey. Weome. If you could briefly state your name for the record. Our discussion now is about postponing and for what length as opposed to the merits of a case. Welcome.

Thank you, good evening. My name is ronny ginor, and as is stated I live directly across the street from the property in discussion. I really with a like to thank you for giving me the opportunity to ask for this postponement. This is the first postponement we're asking for in this case, the zoning and planning commission, as well, and we were here to support the meeting in march mainly because we think the use of this property as a single family dwelling opposed to multiple condominiums is a very good idea. Unfortunately, what happened yesterday is we discovered there may be a significant difference in the set backs from the critical water quality zone that .. with the removal of the current site plan, and we have not had an opportunity and it will take us some time to get an opportunity to understand what the impact of the change in set back is the set back may be significantly less than whathe original site plan offered, potentially 50% less, although there is some discussion about that. We are working with the city environmental staff to understand what the impact of this change in the set back means to the environment and to the lation. I would like to highlight again, we are interested in this project moving

forward, we have absolutely no desire to stop this project from moving forward but we want to understand exactly what the impact of the set back is and specifically because there is a very rapid rise bluff from the water to the top of the cliff at that point and we will like to make sure that the dwelling is above certain parts of that critical water safety zone. So again, I would like to highlight this is our first request and we are asking for a meeting in june. I tried very, very hard to try to make a may date, unfortunately, there are several reasons why we can't do it. One is that our council, homeowner's association president is in florida the first of june and we really feel we need to hold an association meeting. The only house anywhere on this arm of the lake it is not on top of the ridge and I think it will be very, very noticeable but I'm not sure that is correct. I need to find out that that is correct. I'm also a little bit perplexed why it would be difficult to delay this because since this morning, we've made multiple attempts, starting actually in march, to get a look at the plans because there may be no problem at all but what I was told on all occasions, including including in a meeting I had to was the plans are very, very preliminary and no plans to really look at of note or even jot down some notes on so I think that waiting until june would give us the opportunity to develop consensus and understand the impact environmentally and give them an too. To look at their plans for something more substantial. Thank you again and thank you for this opportunity to ask for our first postponement.

Mayor wynn: thank you. Before we asked questions, perhaps hear from the agent.

Mayor, members of council, my name is david armrest, I'm representing david booth, the owner of the property. The issue here involved a set back, a residential use. The problem is that there's some very serious architecture going on with this project, and so if this postponement is granted and [03:58:02] we recognize his right to request one, we will have to tell the, a techs to be on hold -- the architects to be on hold until this is resolved. They've asked for seven weeks to resolve the set back issue, we think three weeks is more reasonable and we request may 14. We hope you never see this case other than on consent. We hope we can work this out, .. it seems silly to me to tell the architects basically go on hold for two months while we work on the set back issue so we would appreciate a shorter time. Thank you.

Mayor wynn: thank you. Comments, questions of neighbor or agent, council? I do happen to know this track of land and the fact, as ronnie points out, it is being contemplated, proposed for a single family use, pretty remarkable and I think everybody .. it is remarkable. So I tend to think there is not .. you know, there is not a fundamental issue here. I would hope the neighbors do recognize, you know, some of the points here about a couple of month delay, you know, a big expensive project, at the same time, I don't know if there is the possibility to have, you know, a neighborhood board meeting, programs even have the president appoint a modest sub committee of the board and meet some time sooner than, you know, than six weeks from now. This is the most beautiful and expensive piece of property and to sell in austin history it seems when one is making a decision about a 30 to \$40 million piece of property with four to five years of construction, asking architects to wait a little bit of time to ensure water quality is protectnot that unreasonable. My understanding is there is a variety of experts we're scrambling to find to tell us what the impact is, everything from set backs from the rim rock to set backs from the center of the lake, I believe that not any of us noticed when we were deleting the former bad site plan and approving the new better site plan that the set back from the lake was going to change so dramatically and it was going to create one single solitary house that is located in a potentially different position than

any other house anywhere around. And so I believe that if there was a small group of us to make that decision, once that house, if it is built the way we don't want it to be built and protrudes from the cliff, the others that are not on that committee are going to have very not nice things to say to me. councilmember shade. I thought I heard first the reason you wanted the additional delay is someone is out of town, the president is out of town and that is why you've chosen seven weeks.

The president is out of town until june 1 but there is quite a bit of information we need to gather before hand. [One moment please for change in captioners]

it sounds like the other side was caught somewhat off guard, they were not expecting this, so you will like to go forward, you would like to go forward today. I mean --

we're prepared to go today.

So why don't -- I would like to suggest that we look at something in the middle.

Is there something in the middle that's not three weeks and not six weeks?

Mayor Wynn: We are scheduled to meet --

I'm looking at the middle between 0 and 6. Mary mayor between may 14th and --

Mayor Wynn: We're scheduled between may -- we meet next thursday and then we meet the 14th, 21st, AND THEN WE DON'T Meet aga JUNE 11th.

As you see I'm here alone. We haven't had time to identify an attorney to help us identify this. We haven't had time or the funds yet to find an environmental specialist to help us' evaluate this. I think that moving hastily or asking for another postponement, we don't want to do it because we don't want to create an adversarial relationship by getting in the way and i think there are a number of constituents that need to be talked to other than just our specific neighborhood. So remind you where this is, this is the arm that leads from lake austin to the county line, that traveled property. We're really, really concerned about that cliff on the right, which is currently a big green area having one single, solitary recreational room, which is what it will be pointing out of the cliff. I think we need to make sure a relatively large group of people that we don't make a mistake.

We just heard about this this morning and we literally called the architects and said shut down.

Shade: I would like to suggest that we postpone three weeks as a council and then if you don't feel like you've gotten your work done, you can use your postponements. It's customary for us to do that. I want to keep this morning. I don't like the idea of a president of the neighborhood association being the primary reason. I realize that now you are aing the others, but i realize we have to as a city be able to get beyond one person's role.

It's not one person's role. Our attorneys, we tried to engage attorneys. It isn't easy to find attorneys who are willing to help us with this case. The only ones we could find said we won't be able to help you before June. So all that will happen I think is I will be here alone again in three weeks explaining to you why we need to wait until June. And I don't understand the procedures. So if that's the way it has to be, I understand, but I can tell you that the one attorney that was willing to help us isn't available until June and the amount of people we need to talk to is much more substantial than four or five neighbors. It's several hundreds if not a thousand people.

Mayor Wynn: Again, council always reserves the prerogative to continue postponing, and whether it's been requested or not. And so my counsel would be to let's choose one of the -- again, we don't meet for three weeks. We meet the 14th, the 21st and we don't meet again for three more weeks. So my in-- my suggestion is we choose one of those May meetings and reserve the right again to postpone should the need arise.

I'm willing to do everything I can to be ready BY THE 21st.

And just so you --

Shade: Just so you understand too the procedure. My other concern is once we get into June we also have very few meetings. And I just feel like the property owner is ready to go today, so that's when we're talking about something in between at least to kind of keep the momentum going. Once we keep going into the summer months we don't have meetings.

Mayor Wynn: After June we don't meet for a month. We don't meet at all in July.

I guess I'm perplexed that they're ready to go today. We contacted the office multiple times trying to make the whole issue go away today and ask for even a draft plan just to show us that this property is not going to be the one and only one on the slope. And we were able to get absolutely no certainty in that regard. So when you look at the scope of this project and the magnitude of this project, I really think that six weeks is actually a very legitimate period of time, especially given the fact that I think many of our constituents feel a little bit bamboozled. We were in force here to support this change and didn't realize that this was going to potentially change the whole look of the entire cliff until yesterday.

Leffingwell: Mayor.

Mayor Wynn: Councilmember Leffingwell.

Leffingwell: I support councilmember Shade's suggestion of May 14th --

Shade: The 21st. May first.

Leffi MAY 21st. Once we -- in all probability it will take several meetings to entirely deal with this case. If we get too far into June, it could be, you know, the summer would be over before we would actually get

to deal with it. So I think reasonable compromise and i would suggest that.

We're agreeable to that.

Mayor Wynn: So we have a motion by councilmember shade, seconded by councilmember leffingwell to postpone item 83 to THURSDAY, MAY 21st, 2009. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion passes on a vote of seven to zero. Thank you all. guernsey, does that take us back to item 70 and 71?

That's correct. And item 70 and 71, they are two different cases, but they are related. Item number 70 is case 02 for the 1600 block of east mlk known as the property at 1600, 1602, 1604 and 1606 east martin luther king boulevard. This is a request for third reading approval for an amendment to the austin tomorrow comprehensive plan to amend the upper creek, upper boggy creek neighborhood plan, to change the future land use map from single-family to neighborhood mixed use. The other related item is a zoning change for this property for case number c-14-2008-0099, item 71 again, for the same properties, 1600, 1602, 1604 and 1606 east martin luther king boulevard to zone the property neighborhood commercial mixed use vertical mixed view building, conditional overlay, central urban redevelopment, neighborhood plan combined district zoning. We do have a valid petition that has been filed on the zoning case that still stands today at just over 26 percent, which is a reduction from what it has been previously, but it's still a valid petition. Also the applicant submitted this morning a request that they would like to modify their zoning request saying that we would accept council's discretion to appropriate vertical mixed use zoning either Ir-v-mu or Ir-v-mu-cure while the staff has recommended Ir-v-mu, the planning commission is in support of Ir-v-mu-cure. Then most recently the unanimous vote was Ir-v-mu-cure. Part two of that request -- and this is on a yellow page on your dais. Based on the information provided to the city of austin's housing development manager, the applicant agrees to a condition, the affordable housing requirement under the vmu to modify the income limitation of current 80% down to 50% median family income. The cure request will provide approximately three times the affordable housing, nine to 12 units, versus three to four units as compared to the -- as compared to the Ir-v-mu without the cure. These are ready for third reading approval of the action that you took at second reading. There is a private restrictive covenant that's been worked out between the applicant and the neighborhood. We do not have an ordinance that's been prepared really to reflect these changes as suggested to the zoning ordinance, which is item 71, for you today. If your desire is to take action on that, we might need to get to the law department to look at that, although I did speak with ryan and he is here and we might be a little bit better able to explain about his modified request. And if it's a clarification after speaking to him earlier, that is not -- it is not his intention to remove any of the conditional overlays, the co's that were in the zoning ordinance. I think it just may have not included that in his revised request. So he still intends to provide austin energy green building program at minimum three star for commercial and residential, would still limit the property a total number of 66 dwelling units, that space ated for commercial use may not exceed 2,499 square feet. Including exterior seating, access to residential be limited to martin luther king. Parking for the retail use of the property shall be from fiona street and site plan or building permit may not be approved and it would have a trip limitation not to exceed 2,000 trips per day from existing or previously authorized development. With that I'll pause if you have any questions. As I mentioned before, ryan is here to speak to his amended request

from this morning if you would like to hear from him.

Mayor Wynn: Thank you, mr. guernsey. Questions of staff, council? Comments? Would you like to hear from deepham-brock regarding an amended -- in a sense an amended application, if that's -- councilmember leffingwell.

Leffingwell: As i recall, all of this was the result of some kind of carefully crafted agreement I guess reflected in the private restrictive covenant, contained references to how much and where the bottom floor commercial would be, how much there would be, where it would be and so forth. Now that this has changed, the application has changed, is that entire -- are we just taking the cornerstone out and messing up that agreement or has it been run by -- back by the neighborhood association?

I'm not sure if it's been run by the neighborhood association again. I understand that the agreement has actually been signed between the two parties. I'm not sure if it's actually been recorded. Perhaps ryan --

Leffingwell: Tell me again what the application is, is it Ir-v-cure?

Well, it actually had an either or in his request from this morning. It's either Ir-v-mu or Ir-v-mu-cure. I understand both would have a co and both would recognize it's in the neighborhood planning area. Which one that he prefers over the other I'm not sure and that might be better left for ryan to come up and explain.

Leffingwell: Seems like a lot of balls up in the air to me.

Mayor Wynn: Well, deepham brock, would you like to try to briefly summarize the new thinking?

Thank you for your time. My name vine deepham -- ryan deepham brock. My thinking was from the questions from many of you all, and the major question was do we have a good development that works without the cure modifications. And the simple answer is it has changed, but yes, it probably works. The neighborhood association has largely been in support of our project at a high level I think they would like to see a mixed use project along mlk and it's the right place for density, but they were concerned about a large amount of commercial space in the project. And so the short answer again is that the conditions that the neighborhood was concerned about and were important to them we would leave in there because that's the reason the neighborhood is supporting us. However, the neighborhood association did from the very beginning support and recommend just a plain vanilla Ir-vmu. So I think there's a range of Ir-vmu with cure, and cure in this situation was putting some conditions in place and also granting some exemptions. And so if you as council felt that some of those conditions were very good and you wanted them in, i suggest we leave them in. If you think some of them are unnecessary, then you may remove them. So I don't know that there's too many balls in the air. It's Ir-vmu. We like the cure. The neighborhood association liked the cure. It provided more affordable housing because it provided more density. But not everybody liked the idea of cure. We understand that. And so the conditions are, still there for you to choose amongst. The only one that I see of any issue at all is the access, and that came from a city staff person saying the access requirements really could be determined at site plan level

more appropriate by engineers. But again, that was a neighborhood request. So I think we've got -- I think we have the neighborhood association spoken for and covered 100% with those conditions that are available to leave in the ordinance.

Mayor Wynn: Thank you, Ryan. Questions of Mr. Diepenbrock, Council? Comments? Mayor pro tem.

McCracken: What I remember of this case is is this the case where we had one property owner who was accounting for most of the valid petition?

That's correct. There are -- I believe there are three entities or owners on the valid petition. One of them is a gentleman who does not live in the area, but does own rental homes in the area, and he constitutes 21% or so. So one gentleman makes the valid petition.

McCracken: I remember the previous vote was I think five-two, but the question was could we get the guaranteed affordability. It's my reading today that we have the guaranteed affordability, is that correct?

Yeah. And I believe I've seen other ordinances where they -- I've been told you cannot modify the V, the vertical mixed use. It's either you take it or leave it. But I have seen ordinances and I believe the property across the street from us had the one additional condition of reducing that MFI level. And since the appropriate groups at the city -- I can't think of the name, Housing Finance Corp -- have suggested they prefer 50% MFI, we want to work with them, we might as well prefer 50% MFI. And I believe you can add that in the ordinance.

McCracken: Does this proposal have the support of the neighborhood association or do we know that yet?

Yes.

McCracken: It does have the support of the neighborhood association?

Yes.

McCracken: Okay.

Mayor Wynn: Further questions, comments? Motions on item 70 -- related to item 70, 71? Mayor pro tem.

McCracken: Let me ask one more question. So on this then we're looking at the -- are we looking at the choice of a condition or not? Is that the question?

Yeah, basically over the last couple of days some of you all have said if we took the cure out, can you handle it? And we have effectively said yes. And now the question is if you take the cure out, do all those conditions go away? And I'm saying no, they don't. Those conditions are still there, although you

might want to run through them and make sure you're all comfortable with them. I have a minor issue with the access condition at this point now that we've changed -- decreased the scope of the project. It would have to be decided at a site plan level with engineers and review in place. I think that's probably substantial enough, but if you look at those two conditions related to site plan and prefer to leave them, that's okay, we'll find a way to make that work as well. So yeah, you leave the conditions unless you feel it's best to remove one or two of them.

McCracken: I'll move approval of whether we -- the combined 70 and 71? Is that the deal?

Mayor Wynn: Technically 71 -- 70 is the flum and 71 is the zoning case.

You could do it as one motion or you could do it in two motions depending on the way that you vote, it would only take four affirmative votes to approve the change for the neighborhood plan, that's item number 70. But it would take six affirmative votes to override the petition on 71.

Mayor Wynn: The main thing, council, why don't we take up item 71, the zoning case first, and then if it fails I suggest there's no reason to amend the future land use map if the zoning is not going to pass.

If the zoning fails you still could take action and ryan could come back with a less intense request. Instead of being under the neighborhood commercial designation, he could come back and ask for an office designation in future if he works out something with the neighborhood. He does have a signed covenant that I found that's already been executed with the neighbors, so he does have some agreement that looks like it's in writing and has been recorded. Entirely up to you, though.

Mayor Wynn: Remind me what are the constraints timewise if item 71 the zoning -- any rezoning were to fail?

If the zoning case were to fail, he could actually come back in tomorrow with a less intense request. So he could just come in with, say, lo-mu or no-mu and then that could be presented to the neighborhood and he could file that tomorrow. But as it stands right now, he has an Ir request, which is more intense active zoning than any of those two categories and he would not be able to file the same or a similar application with an Ir designation for 18 months once it's denied.

McCracken: Mayor, i guess on 71 what -- from what we've heard, the issue that I think split us before was on the affordability. This is the deepest level of affordability I've seen on a vertical mixed use case and it has the support of the neighborhood association and it has unanimous support at the planning commission and they have dropped down the level of affordability. So I'll move to approve on third reading with all of the conditions outlined from second reading, but we move the cure designation. Remove the cure designation.

Cole: Second.

Mayor Wynn: Motion by the mayor pro tem, seconded by councilmember cole. Is that sufficient enough

direction for a third reading ordinance?

I think so. Basically that would be removing part 3 of the 3 ordinance that you do have in your backup. It would still leave part 2, which would include that all residential and commercial development shall comply with austin energy green builder, three star rating. That it would be limited to 66 units. That space allotted for commercial use may not exceed 2,499 square feet, including exterior seating. Access to residential parking structure shall be from martin luther king junior boulevard, access to the parking area for retail use on the property shall be leona and that the trip limitation on the property under that part f shall not exceed 2,000 trips per day from existing or previously authorized development. And so those are the sections that would remain intact, and by that motion i think i understand that you are accepting the additional condition that i talked to one of our paralegals and i get a nod from our attorney that we could probably add an additional conditional overlay or additional condition to the ordinance that may speak to the -- modify the income level from 80% down to 50% mfi as it speaks to the affordability component.

Mayor Wynn: Could you summarize the actual zoning category?

It sounds like it would be Ir-mu-v-co-np.

With the cure gone.

But no cure.

Mayor Wynn: Correct. So we have a motion and a second on the table for, as guernsey pointed out, Ir-mu-v-co-np, item number 71.

Martinez: Mayor.

Mayor Wynn: Councilmember martinez.

Martinez: I wanted to know how we adopt something on third reading when we don't have an ordinance prepared?

The cure part being removed is fairly simple because it's just taking out part 3. And as long as my attorney -- i've spoken to one of our paralegals. On the e-mail that you've received this morning and that i read in previously as item number 2, we would adapt that as language and put that in the ordinance as a condition that would affect the v, that would get to the 50% median family income instead of 80%. So if you're comfortable with that and my attorneys are comfortable with for and everyone is clear that the affordability would drop from 80 down to 50, then i think we can still go for all three readings today.

Martinez: When you remove the cure, what's the reduction in number of units?

The number of units would still be a maximum because the co would not change in the ordinance.

Under part two, you would still be limited to 66 units at the maximum on the property. Whether you could actually achieve that number, I could not tell you without going back and looking.

Martinez: But because of the affordability component, would there be a qualification for a reduction in parking?

Only through -- if they opted for the parking reduction in this neighborhood, they could still take advantage of that, otherwise no, it would still remain the same. But the cure has a provision for reducing parking. And since you're in the urban car you also get a reduction in parking. But if you're taking out the cure, we wouldn't double count anyway. It just gets to the basic reduction.

You could still ask for a reduction in parking under the urban core died lines.

That's available to them.

Martinez: I think that's part of the concern is that we're obviously -- the petitioner is going to do everything they can to maximize the number of units, but at the same time do everything they can to get the maximum reduction in parking. I think that's an issue. It's a concern that there will be more parking on the roadway. I guess, you know, there's still a whole lot of moving part here. I certainly do appreciate the offer to do the affordability at the level that they're offering. But something else you said was that the retail cannot exceed a minimum of 2499 feet, and I thought it was that it couldn't be --

it would be that the commercial space allotted or the space allotted for commercial use may not exceed 2,499 square feet, including the area related to exterior seating. That's already in the ordinance.

Martinez: What's the minimum?

The minimum would be up to them to achieve that minimum number if they were developing around the Ir, there might not be any. Or there might be some and it would be more than 23,000 --

Martinez: This could turn into a completely residential project and not have commercial at all?

If they utilized the mu --

Martinez: These are things I'm concerned about. I support the intent and the spirit, but I don't think i can support it today without seeing a full ordinance detailing what we're doing.

I'm not sure how we could do this, but we could go back and try to draft an alternate version for council's consideration and bring that back at another time. We would have to work that with the law department and get that language so it's clear and have you it on the dais.

Mayor Wynn: My instinct is that if some of the -- if a measurable amount of the concern is in fact documenting what we think we're attempting to do, then I think there's value in delaying the final vote on

this case until we can see something in front of us and see how comfortable council can get. So I would be --

if you want to do something today, you could still take action on item 70.

McCracken: Mayor, how about I revise my motion to postpone until may 14th, and with the conditions outlined in the motion. And I'll just make a note that one of the requirements of the vertical mixed use ordinance which makes it different from the vmu ordinance is it requires ground floor commercial space. It is not an option, which addresses what both of you and I have identified as the problem with vmu designation. Vmu requires is to be a mix of uses with a different use on the ground floor.

If they're doing a vmu building.

McCracken: Which this motion requires. It's a mov, so it -- it's not optional.

We'll clarify that when we bring it back.

McCracken: Good. So I'll move to postpone this to may 14th to prepare the language with the conditions outlined.

Mayor Wynn: Motion by the mayor pro tem, seconded by councilmember cole to postpone combined case 70, 71 to our thursday, may 14th, 2009 meeting with instruction of staff to prepare the ordinance based on the previous motion for third reading consideration.

Leffingwell: Mayor. For when it comes back, i will have -- I would like to get a specific answer under the current proposal how much affordable housing there will be at 50%, and i certainly would like to see something in there about reduction of parking allowed under the v, if that could be a co or whatever. As councilmember martinez pointed out, that is one of the major concerns.

Mayor Wynn: Great, thank you. We have a motion and a second on the table to postpone the combined case 70, 71 to may 14th. Further comments? Hearing none, all those in favor please say aye. Aye. Opposed? Motion passes on a vote of seven to zero.

Thank you, mayor and council. That concludes the zoning items.

Mayor Wynn: Council, before we go to our break for live music and proclamations, as i mentioned earlier, in closed session we took up the performance evaluation of both the city clerk and municipal court clerk. We have posted for action items 51 and 52, resolutions related to the compensation and benefits for each of those two employees. And I'll recognize councilmember shade.

Shade: We spent some time in executive session really getting some great updates on what's going on in each of these two departments, and I'm pleased to be able to make this motion that be it resolved by the city council of the city of austin that the city council establishes the following compensation benefits

for city clerk shirley gentry to become effective at the beginning of the first pay period following the adoption of this resolution. And everybody has a copy of that, so I don't need to read each item. I'll do these two separately. Can I do them together?

I think we should probably do them separately.

Mayor Wynn: I think historically all we need to do is you go ahead and read in the compensation just for the record and then we'll note that all the other items remain the same with the exception, I believe, of one element.

Shade: Okay. Everything remains the same, including compensation from the prior year, which is a 20 each pay period, equivalent to \$118,000 annually. The only item that's been changed from last time was -- last year's was number 17 as being taken out of this year's resolution and that is simply setting an annual schedule so that we don't have to worry if we don't meet exactly 12 months from today again on this matter.

Mayor Wynn: So we have a motion from councilmember shade on resolution item number 51 that I'll second. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion passes on a vote of seven to zero. Councilmember?

Shade: I'll make a second motion, which is establishing compensation benefits for the municipal court clerk and repealing ordinance number 20080320-077, and again this is that the city council establishes the following compensation and benefits for the municipal court clerk rebecca stark, no changes from the previous year, but to officially put that in the record that's compensation for the municipal court clerk, the 20 each pay period, equivalent to \$107,000 onlily.

Mayor Wynn: Motion by councilmember shade that I'll second our resolution regarding the compensation of our municipal court clerk. Further comments on the motion? Hearing none, all those in ? Opposed? Motion passes on a vote of seven to zero. Thank you all very much. So council, that takes us to 30 break for live music and proclamations. Our musicians today are belleville outfit, so stay tuned for that. And then we will conduct our proclamations and then reconvene for our public hearings shortly after 6:00 p.m. We are now formally in recess. Thank you. The belleville outfit is a gypsy, swing band that has shared the stage with many musicians. Their second album entitled time to stand will be released may 12th. Their first album rose to number 10 on the charts. Please join me in welcoming belleville outfit. [Applause] ???? ???? [?? music playing ??] [applause]

Mayor Wynn: Great. Well done. Fabulous. All right. So first where can we ultimately, besides waterloo records, I trust, where can we get a copy of the second record?

The internet.

Mayor Wynn: The internet. The website would be.

I would recommend our website, first of all. All.

Whi bellevilleoutfit.com. And I trust on the website it also talks about upcoming gigs you all have, correct?

The record doesn't come out until may 12th, but we're starting the real big press for it, so we're really excite and we hope on may 12 you will scurry out and get one of those. We play may first at threadgills on riverside.

Mayor Wynn: Threadgills south.

Our official cd release part will may 31st at momo's.

Mayor Wynn: At rio grande and west sixth?

Above katz's.

Mayor Wynn: Before you get away we have the official proclamation that reads, be it known that whereas the city of austin, texas is less blessed with many creative musicians whose talent extends to virtually every musical genre and whereas our music scene thrifs because of music produced by many musicians. We're pleased to showcase and support our local artists, now therefore i, will wynn, mayor of the live music capitol of the world does here by proclaim APRIL 23rd, 2009 AS Belleville outfit day here in austin, texas and call on all citizens to join me in con grating this great talent. [Applause]

thank you.

Mayor Wynn: So while the band breaks down on that side of the room, we'll come use this podium to do our weekly proclamations. We take this time each city council meeting to either say congratulations to some folks, to try to raise awareness about important issues, to say often times say good-bye to retiring co-workers, that kind of thing. My first proclamation is the big solid waste services award for the middle school art contest winners. So we've got a bunch of good looking young people who are going to come join us, i guess, and we'll give awards, take some quick photographs. So daniel i guess is going to walk us through why we're here and why we're saying congratulations and celebrating these young people. Daniel, do you want to take over and maybe i'll pass out eight wards while you do the real work.

Good evening, everybody. It's really exciting to see a lot of young people here because again, they're our future and there's a lot of things we're doing in this city is to prepare for them. Again, I'm the assistant solid waste director for the city, and what we're here to do is to honor the winner and the finalists for our austin recycles student art contest. We've been doing this for the last 10 years, and what we have done in previous years is that we have used these artwork that's been submitted to us both for calendars and also for billboards in the community. This year we did a contest -- contest so we can coincide with the earth day celebrations that we have in the city. The students created artwork to give the community a call to action to recycle. To quote a native american proverb, treat the earth well. It was

not given to you by your parents. It was loaned to you by your children. We do not inherit the earth from our ancestors, we borrow it from our children. I think that's important for us to would understand for all us older individuals. As the mayor mentioned, we like to plant the conservation seed early in the schools. Students then become ambassadors for recycling and they will help us move the society from a society that consumes to one that conserves, which is really important. Now I would like to recognize the art contest finalists and the winners. Please come up front to accept your certificate as I call your name. First I would like to congratulate the winner of the art contest, danny murray. [Applause] danny is from murchison middle school who created dude, it's not that hard. [Laughter] you know, it's amazing but the message we get out there, we get really complicated as we get older much the younger generation reminds us, let's get down to the heart of it and realistically that's what we're trying to do as a community, dude, it's not that hard. Congratulations, can yell. [Applause] daniel. The finalists, terry blackman. Terry? Is he here? All right. Caitlyn daniels? Congratulations, caitlyn. [Applause] now, next we have shirley angleke [applause] congratulations. Next we have corbyn hall. [Applause] congratulations. -- Congratulations. We also have next claire harvey. [Applause] next we have darvin, I hope I'm pronouncing this right, obvu. [Applause] congratulations. Next we have meagan matassi. [Applause] congratulations. Next we have julia mitz. [Applause] congratulations. Next we have rochelle newberry. [Applause] congratulations. Next is marlena rainey. [Applause] congratulations. [applause] and last we have diana voge. [Applause] finally, I would like to thank miss kristin marcella, the fine arts coordinator, debra harkins, art teacher and nyos charter school. Thanks to all the contest finalists. One last word about recycling, dude, it ain't that hard. And it isn't that hard. Thank you. [Applause]

Mayor Wynn: Okay. Our next proclamation is regarding the mayor's book club. This annual event that I inherited from my predecessor, mayor gus gar that is now in its eighth or so iteration. I am going to read the proclamation and nancy tooms is going to talk to us about the event this year and how you can get involved, how you can find -- where you can find the book, how to get involved and help this be even more successful than it already has been. So the proclamation reads: Austin celebrates the continuing success of our citywide mayor's book club reading campaign during which thousands of citizens read and discuss the book, the septembers of sharaz by daia sofer and it explains the life she left behind in iran. The story tells the tale of a family that flees iran during the iranian revolution after her father was imprisoned. And whereas we're pleased to have been involved in this campaign for the last seven years, excuse me, and thank all the austin public library staff who have helped to make the book club such a success as well as the austinites who have participated in the discussions and presentations. So now therefore I, will wynn, mayor of austin do hereby proclaim tomorrow, friday, april 24th, 2009 as our mayor's book club day here in austin. And ask nancy to come step up and say a few words about the details of this year's event and how you can join me tomorrow evening as we continue discussing the book. Nancy? And thank you. [Applause]

thank you so much, mayor wynn. We really appreciate all the support you have given us over the years. And on behalf of the austin public library and the mayor's book club I would like to thank you all who participated in the eighth annual mayor's book club to keep austin reading. I'm nancy tooms, I'm a managing librarian for the austin public library and chair of the committee. In the 2009 mayor's book club it's been very successful. Since mayor wynn announced the septembers of sharaz as the 2009 selection in february, nearly 150 copies of the book have been checked out from the library almost 500

times. And hundreds of people have come together to discuss various themes in the book with university of texas experts and other austinites across the city at branch libraries and at the jewish community center. Citizens also attend add film screen teg alamo draft house on south lamar. As you all know and have most likely read the book, it is a fascinating story of one family's unique struggle in a constantly changing iran. Their judaism marked them with persecution during the iranian revolution. The author was scheduled to come to austin and meet with the book club participants in an event tomorrow night at city hall, but due to the grave illness of her father, she is unable to travel and join us for the final event; however, we have put together a terrific program tomorrow evening which will include regional food and music and a panel discussion with the university of texas experts in the field of middle eastern studies. The reception begins here in 30 and the discussion will begin at 7:30 p.m. here at city hall. Please join us. And thank you for keeping austin reading.

Mayor Wynn: Great. Thank you. [Applause]

Mayor Wynn: So my next proclamation is regarding martin's lutheran church 125th anniversary, just amazing. So I'll read the proclamation and charlie oertli will say a few words about the celebration, about the church and the remarkable heritage here in austin. This proclamation reads: martin's evangelical lieutenant ran church was organized by 20 german families under the leadership of a german travelling missionary in 1883. And whereas the group bought land north of the state capitol and constructed their original sanctuary with brick from the burned out capitol. They later moved to an expanded facility at 14th and congress before relocating to their current site on 15th street. Whereas the congregation continues to succeed and prosper in its mission to offer spiritual growth through word, music and community service to u.t. Students and the growing population. Now therefore I will wynn, mayor of austin, texas, do here by congratulate all associated with the church on its 125th anniversary and do here by proclaim may 29th, 2009 as the st. Martin's evangelical lutheran church day here in austin. Please join me in congratulating our friends from this fine, fine church. [Applause] martin's is celebrating 125 years of history. We've been an integral part of the growth of austin. Starting one block north of the capitol, then moving another block to 14th street, then another block to 15th street. We've contributed some people to the history of austin, which I would like to mention some names. There's a golf course, morris williams junior, he was a member of our church. Von beckman who had a large print and office supply shop here in austin. Robert mueller, an airport named after him. Charles bergstrom, another airport named after him. And a fine aggie? Okay. We won't go there. Currently we have some members like dick and sarah wrathgabby. We lost leif johnson, the ford dealer. We have had lots of people who contributed to the growth of austin, and we continue to support the city of austin. I'd like for you to meet the people that are up here with me today. Pastor craig sommer, coralynn wilson who is the past president of the congregation. Wynn speir, the present president of our congregation. Linda sander who is part of the anniversary committee. And my wife erlene who is also on the anniversary committee. We're celebrating for five months. We have the bishop of the evangelical lutheran church coming down to visit with us this weekend. And we're very happy to be 125 years old and we look for the next 125 in austin. Thanks. [Applause]

Mayor Wynn: My next proclamation is regarding the carey youth violence prevention week. Again, I'll read the proclamation and then adri an moore will give us more about why we're celebrating the week

and really the community partnership that carey so well represents. the week of april 20th each year is a reminder of the devastation of youth violence since it marks the anniversary of the 1999 columbine high school massacre that left 17 dead and 23 injured. And whereas the texas d.p.s. Arrest data for youth age 10 to 19 in travis county for the decade 1998 to 2007 includes more than 100 arrests for murder and manslaughter. 1200 Arrests for aggravated robbery, 2,000 arrests for aggravated assault and 15,000 arrests for other assaults. And whereas the council on at risk youth or cary, youth violence prevention program, conducted at eight aisd schools works intensively with 600 at risk youth to help them drop and develop non-violent behaviors and become productive members of our community. So now therefore i, will wynn, mayor of austin, do here by proclaim the week of april 19th to 25th, 2009 as the cary youth violence prevention week here in austin and please join me in welcoming and thanking adrian moore for their fine work. [Applause]

thank you. Thank you very much. 10 Years ago monday, columbine occurred, and a national tragedy, as has been said. We're very, very fortunate in austin, texas that we have had no columbine, but unfortunately as the data tells us, we do have considerable youth violence in the streets. And it is necessary to continue to work toward that level of prevention that we all need. Cary came into being 10 years ago monday after I was in the field of juvenile justice and correction for almost 35 years. I made the decision then that we needed to get more extensive involved in prevention in the public schools and moved in that direction. So september 1 of this year cary will celebrate its 10th anniversary. And indeed, we do work with 600 at risk kids every year, kids who are in the school disciplinary system for assault, abuse, aggression, bullying, intimidation of others, kids who we know don't graduate high school, they graduate on over into juvenile justice and criminal justice at great expense to us all. We're very fortunate to have the city of austin and travis county, other foundations as partners and supporting services for these 300 kids, 600 kids rathe. On annual annual basis we look at the cost data and we can see where every dollar invested until prevention returns back to the austin public \$20. So a very good investment in prevention and thank you so much for the recognition for of the week without youth violence.

Mayor Wynn: Thank you so much. [Applause]

Mayor Wynn: For my final proclamation, I'm joined by vince cobali and david gardener. I'm going to read the proclamation regarding world tie key and qigong day and david will talk more about the event here in austin. the health and welfare of our citizens is a primary concern and whereas stress is a contributing factor in the majority of health issues, and whereas tai chi is a marshal matter form that provides health benefits for all ages including stress reduction, improved coordination and flexibility as well as bringing people closer to nature and the environment. Citizens can learn tai chi basics and help create, quote, a wave of healing energy around the world, unquote, by joining instructors at auditorium shores for the local world tai chi and qigong day event. So now therefore i, will wynn, mayor of austin, along with the mayor's fitness council, do encourage austinites to take part in this event and do here by proclaim april 25th, 2009 as world tai chi and qigong day here in austin and please join me in welcoming mr. david gardener. [Applause]

I would like to say thank you to everybody and thank you mayor wynn. This worldwide event promotes global health and healing. local time around the world, tai chi practitioners and the public will do tai chi

with the intention of sending a wave of healing energy across the globe. This event currently celebrating in over 60 countries and six continents, all tie key, and qigong schools, family and friends and the general public are invited to come to auditorium shores in austin. There will be free classes and other activities in the mornings. There is no experience necessary. This event is in its 11th year and we encourage everyone to come down and promote the healing aspects of the chinese martial arts.

Mayor Wynn: 00 saturday, auditorium shores. 00 Saturday morning, auditorium shores. Thank you very much. [Applause]

Mayor Wynn: Thank you, david. The city council will reconvene to conduct the public hearings after this very short break. Thank you.

Mayor Wynn: We have a handful of public hearings to take up this evening, really only one of which has speakers to give us testimony. But I believe staff had at least one proposed postponement so we could perhaps clean up that quickly before we take up our longer public hearing. Welcome mr. zapalac.

We have a request on item 92, which is an appeal for the site plan of hyde park baptist church. We have a request by the apell lent and the church to postpone this item indefinitely. That means before it could come back to your agenda that you would have to set a public hearing and new notice would be sent out.

Mayor Wynn: Council, I'll entertain a motion to postpone indefinitely item 92. Motion by the mayor pro tem, seconded by councilmember morrison to indefinitely postpone item number 92. Further comments? Hearing none, all those in ? All in favor? Opposed? Motion to postpone passes with a vote of five to zero with councilmembers cole and leffingwell off the dais. Request has been made on behalf of the applicant for items number 93 and 94, both related to the heartwood matter for a one week postponement.

Mayor Wynn: Thank you, brent. Council, I'll entertain the motion to postpone the two public hearing items 93 and 94 for one week to our april 29 meeting. Motion by councilmember morrison, seconded by councilmember martinez. Motion to postpone items 93 and 94 for one week passes on a vote of five to zero with members leffingwell and cole off the dais. Why don't we quickly -- if staff is prepared, we can go ahead and get through public hearing 89 and 90, and then send a few staff members on their way home before we sit down to get a bunch of testimony on item number 91. Welcome mr. guernsey.

Thank you. Greg simmons, neighborhood planning and plag department. Item number 89 is to conduct a public hearing and consider an ordinance amending pet services and use as a permitted use in the central business district. It will allow small animals used as household pets to have the provision for veterinarian grooming and boarding services totally within a building in the central business district weevment had a number of residents who have moved downtown and they actually have to venture out of the downtown to receive these services and so in order to allow them to board and have their pets taken care of, they can do so downtown. And that's what this amendment is all about. I'm not aware of any opposition to this. I don't believe anyone has signed up. It was recommended by commission and

staff and ready for your approval on all three readings today.

Mayor Wynn: Thank you, mr. guernsey. Questions for staff, council? Comments? Thank you. Again we have no citizens signed up to give us testimony on this public hearing regarding pet services as a permitted use and a base zoning of cbd. Further c? Yes on all three readings. Motion by councilmember morrison that I will second to close the public hearing and approve this ordinance as presented on all three readings. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion passes on all three readings with a vote of six to zero with councilmember leffingwell off the dais.

Thank you, mayor and council.

Mayor Wynn: That leaves us with public hearing number 90.

Good evening, mayor, council. Cath hall with watershed protection and development review. Item number 90 is a proposed ordinance with regard to a resolution passed by council DECEMBER 18th, 2008 TO Expand the use of side walk signs from the university overlay and downtown sign district to any appropriate commercial area of the city. The proposed ordinance adds provisions to the existing sidewalk sign ordinance that include ensuring both traffic and pedestrian safety. Two of the main elements to ensure that pedestrian and traffic safety are that the sign must not obstruct the line of sight for oncoming traffic and that the sign must not be closer than 20 feet from a driveway or a pedestrian crosswalk. Thank you.

Mayor Wynn: Thank you, kathy. Questions of staff, council? Comments? Again, this comes recommended by our planning commission. And we have no citizens signed up to give us testimony on this public hearing, item number 90. Motion by councilmember martinez, seconded by councilmember shade to close this public hearing and approve on all three readings this land development code amendment. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion passes on all three readings with a vote of six to zero with councilmember leffingwell off the dais.

Thank you.

Mayor Wynn: Thank you. So council, and audience, that leaves us now with our public hearing item number 91, which was -- is our i believe annual public hearing requirement for the consideration of among other things our fiscal year consolidated plan. margaret shaw for a brief staff presentation.

Good evening, mayor, councilmembers, city manager. My name is margaret shaw with the neighborhooding housing and community development office. We're here tonight for an unusual, but wonderful opportunity to take advantage of the federal stimulus funds that are coming through from the housing and urban development department. I'm joined tonight by greg canally who is leading the city manager's efforts for the stimulus money. I'm also joined by david lurie who will also be administering some of the funds through h.u.d. With that I would like to get started. To give you an overview of why we're here tonight -- and technical difficulties. Again, we have to have a public hearing before city council. It's required in order to funds, which are available, about five million dollars in stimulus monies.

We also wanted to take advantage tonight of an opportunity to provide an overview for both of you and the public on the processes that are necessary to secure the h.u.d. monies. We have homeless and prevention and rapid rehousing programs from that are over a little bit more than three million dollars. We also are eligible for two -- a little over two million dollars in community development block grants. The american revitalization and recovery act, arra, became law on february 17th of this year. The federal objective which allocated more than almost \$800 billion was the jumpstart to united states economy in the midst of a global downturn. Eligible entities throughout the program range from federal government departments themselves, states, cities, regions, nonprofits and others. A substantial plan is required for the h.u.d. Funds, so locally we develop a plan which is called a citizen participation plan that outlines how citizens can provide input to council and staff on the use of funds when you get more than a million dollars. In this case five. We call it a substantial amendment and we have pript active language -- prescriptive language that we have to follow. We have usually a 30-day public comment period as well as one city council public hearing. Because of the time frame for the stimulus packages, has allowed us to drop the 30-day comment period to 12 days. A substantial amendment is also required, being in austin we do opportunities not just for those written public comments, but we have also provided additional opportunities for input through the community development commission, online suggestions that will be available starting tomorrow through homeless stakeholders meetings as well as the council's public health and human services subcommittee meeting this monday. The hprp program is where austin as received as I said a little bit more than three million dollars. The guidelines were released in march of last month. The application is due MAY 18th. The funds are actually received by neighborhood housing. We pass them through and they're administer bid our own health department. There are three primary goals for the austin funds, prevention, preventing people from becoming homeless whenever possible. Diversion, that means to intervene when people are near shelter or entering shelter so that where possible we can avoid having them reach shelter. Rapid rehousing, which is moving people who have become homeless into permanent housing as quickly as possible. With the community development block grant funds, it's a little different. We have a little bit more than two million dollars. guidelines have not been released yet. We've been told now for six weeks that they will be released any day now. The activities to date enable the city to act quickly so that when that guidance is released, we can go ahead and apply quickly so we're following the homeless funding package as quickly as we can. We've also been told informally that the cdbg eligible activities, the ones that are eligible under current cdbg, may not be eligible under stimulus cdbg. So we will be looking closely at those guidelines to make sure that what the city has recommended would meet those guidelines. Those funds will be administered directly by my department, neighborhood housing. With that the community -- the city through greg and his office has devised some key criteria by which programs and projects and ideas under the cdbg would be evaluated. First and foremost is obviously they would have to meet the federal requirements, which they've led to be economic development in creating jobs as the most important elements. With that the city has come up with some other criteria by which they will be using. I've grouped them into large buckets of sustainable well financed established efforts. So that means that projects are what we're calling shovel ready from the federal level, which is roughly 90 days for them to start, that they'll be fast turnaround times, so what we're hearing, especially in the homeless funding, is that you would have less than three years to spend all those monies. In fact, the goal with the homeless monies is to do that in two years so that if any funds are not used by other municipalities, we could take

advantage of that and redistribute and it would come back to austin. That any projects or ideas that we're coming forward with would be financially sustainable after the exploration of the stimulus funds. So that's an important point, that these are one-time monies and they will not be in perpetuity like cdbg or our emergency shelter grants, so we want to make sure anything we fund with this will not then be relying on the city to continue that funding after the next couple of years. That we're leveraging existing resources and programs. And very importantly, that we're linking with other stimulus opportunities to make them even more viable. We also want to make sure we have significant results for the community, so we have well-defined and measurable benefits, create a lasting impact for austin, and it contributes to our environmental sustainability as well as improving the competitive position of the city and the region. And more importantly as the city community development commission pointed out, we want to make sure we have tangible results for austin residents, especially those that are low to moderate income or in underserved neighborhoods. We want to improve quality of life for all residents and certainly make sure that as council's -- that council set living wages met through the project. We also want to highlight for the council as well as the public that we have already been informed that the stimulus funding will be scrutinized incredibly, deeply and heavily by a variety of different sources. We've already been put on program staff both in their headquarters in washington, as well as our san antonio field office will be visiting us to make sure that the funding is appropriately used. I've also been put on notice that the office of inspector general from will also be visiting our offices as well as the congressional general accounting office out of fort worth. We do expect the media also to be following these proposals closely as well as national and locally. With that in mind, we want to make sure we take administrative considerations into mind, which is the capacity of the partners that we're working with, that they are strong, long-term partners here in town that can deliver quick and timely fashion for the project. That we're leveraging that funding so they're not relying as I said earlier simply on city funding. And we would propose that there would be a minimum award of \$250,000 with the cdbg funds so that we are not overseeing small projects which make for a difficult time with oversight and monitoring. Public input process to help review is the fact that to remind folks that we are not beginning this process just in the last 30 days. We have if not months, years worth of research and study that goes on to both the needs of our homeless community as well as our housing and community development needs. We have a homeless plan that was developed with echo, la cantera and a variety of other homeless partnerships that we have been built on. We also this year have a housing market study as well as almost six months' worth of stakeholder meetings and public input on consolidated plan needs. With that in mind, the homeless coalition also put together a small group of stakeholders on april seventh to review the needs for the homeless community. That included can and echo and some of our key partners there. On april 14th we brought forward both these pots of money, the full five million before the community development commission to get direction from them on what they would count as success. So going on now we have a public comment period, which is available in two public libraries, four neighborhood centers, at the arch, the housing authority of the city of austin, my offices as well as aids services of austin all have copies of the amendments and we're welcome for folks to provide both written by letter as well as online e-mail access to give us comments. On april 20th, monday, the health department went before the subcommittee of the council on public health to put forward their proposals. Tonight we have the council public hearing and we're also announcing that tomorrow on the city's website we will be also taking a survey from cdbg to get ideas from the general public on how they

would like to see the monies spent. The next steps ending on may first is the public comment period. SO FROM MAY 10th, SECOND THROUGH 10th, EVALUATION Panel of interdepartmental staff will be reviewing the cdbg ideas that have been suggested. On may 12th, we will have both the homeless and the cdbg packets back to the community development commission for their review and action. On may 14th we will be back here to council for council to review and approve the substantial amendment as recommended by staff or with modifications. ON MAY 18th, THE HOMELESS Application is due to h.u.d. And for the homelessness is stating that they will have the grant agreement returned to the CITY BY SEPTEMBER 1st. And we will have 30 days by which to obligate the funds if that's approved. I want to reiterate at this time we do not have the final guidelines for the community development block grant applications. And staff will update city council when we do receive them and the public to let us know if there's any changes that need to be taken because of the actions. With that I just wanted to end with three critical resources for the public and anybody else watching. .gov/recovery sluz all includes all of the different programs including the housing authority for the city of austin, received almost four million dollars in capital funds to assist them with renovation of their projects. There's a broad list of that are assisting with low income housing in the community. These are only the ones that are coming directly to the city. org has also set up a stimulus section of our website so folks can look broadly at what the city of austin is doing to access symptom lutz monies. And lasted is the department of housing, city of org/housing on news and events we have posted all the information regarding tonight's hearing as well as any other processes so folks have an opportunity to stay in touch and keep up with what's going on. We appreciate your time tonight and we appreciate all of our partners being here tonight to give us great input. We're here to listen and hear from the community on what we need. With that I'm here to answer any questions. Otherwise I'd rather get started.

Mayor Wynn: Thank you. Questions for staff? Comar.

Martinez: I wanted to let foangz know that I have to step off the dais for a little bit. this is very important. I will certainly watch the testimony on time warner on demand as soon as I can. I will try to get back, but I'm not sure I will make it back before the testimony concludes.

Mayor Wynn: Thank you, councilmember. Again, further questions of staff? Comment? Before we conduct our public hearing? Thank you all. With that then we'll go to our speaker sign-up sheet. We'll just take these in order of folks signed up, without objection. Let's see, our first speaker is eric boies. Welcome, eric. You will have three minutes, to be followed by mitch waynan. Sorry, mitch. To be followed by eva rios.

[Inaudible - no mic].

Mayor Wynn: Okay. So remind me when martha comes up to make that happen. Welcome. You will have three minutes. mayor, councilmembers. Thank you very much and good evening. My name is eric boies and i am currently serving as chair of life works governor board of governors. Life works provides as many of you know a wide range of housing, education and mental health services to youth and families throughout central texas. We provide support to more than 10,000 families each year through nine service centers and 170 employees. And we are very grateful to the ongoing support from the city

of austin to help us address critical issues in the community such as teenaged pregnancy, runaway, homeless youth and workforce development for youth who are aging out of foster care. We come to you tonight to let you know that we would like to pursue a request for \$500,000 from the increased cdbg funding for our community to dramatically expand our support services to community and to purchase land to an east austin youth and family resource center. We have outgrown the capacity of our current east austin centers and we're flooded with requests for services. The proposed center will provide the opportunity to expand education, counseling and workforce development services in east austin by more than 70%. This expansion is critical during this time of economic recovery. The youth and families we are serving will struggle for quite some time and the needs and -- excuse me. And need the kinds of assistance we can provide help them succeed in their education, their workforce and their parenting goals. In addition to the expansion of life work services, the center also leverages numerous key partnerships, including capital idea and the central texas literacy coalition, who will co-locate with us as well as the austin community college's eastview campus and the kc family program. The life works board of governors has identified the funding and development of this new center as our top priority and have committed to what has thus far been a very successful capital campaign with the leadership from the suge foundation. There are several other individuals here tonight who will speak on various aspects of the project tonight and we look forward to presenting our project to you and to be heard and continue looking forward to our continued partnership with the city. Thank you very much.

Mayor Wynn: Thank you, eric. Mitch, welcome. You too will have three minutes to be followed by steve christopher. mayor, councilmembers. I'm mitch, chief operating officer for life works. Susan mcdowell, our executive treasurer, was not able to be here tonight. She sends her apologies. I believe you have a brief handout on what our request is. As eric described, our east austin youth and family resource center is designed to expand our services to underserved populations in east austin. The programs will have located at this center include our volunteer driven adult literacy and english as second language center, a center for youth aging out of foster care, which will leverage our partnerships with the kc family program and the austin community college eastview campus and its programs. And after school and summertime youth development program for the immediate community, including residents of the nearby austin housing authority sites. A base for our inschool prevention and support services. Retail shops that will provide job and entrepreneurial training for youth and young adults, youth and family counseling service and family violence intervention services. The site that we have under contract to purchase is located in the heart of east austin at the corner of lions and pleasant valley. It borders the east austin -- the austin community college eastview campus and this proximity is an ideal leverage of our programs for youth and young adults transitioning to the workforce and higher education. We believe the goals of our project are supremely supportive of the published criteria for the community development block grant funding much. The project is said set for construction. We intend to close on the property in the fall and begin construction in the first quarter of 2010. We are serving the poor and the working poor of an underserved community with services designed to increase self-sufficiency. We have a commitment to achieving at least the level 3 and hopefully a level 4 star green building rating. More than 120 sustainable jobs will be located at this site in east austin. Additionally numerous construction jobs will be created and sustained in the development of the center. This is the only public funding we are seeking for the center. The life works board of directors has committed to raising an

additional funding of approximately 5 million through a capital campaign and sale of some existing properties. The service center that we're planning is only going to occupy about half the property. We have the space for a future second phase that can include rental and owner occupied affordable housing. So we believe this project fits perfectly with the cdbg stimulus funds. We appreciate your support and thank you for your time this evening.

Mayor Wynn: Thank you, mitch. Steve christopher signed up also wishing to give us testimony. To be follow bid candace hamilton.

[Inaudible - no mic].

Mayor Wynn: Yes, but martha is well down the list. When martha is called, she can have your additional three minutes. Let's see, is steve christopher want to give us testimony? How about candace hamilton? Margot white?

[Inaudible - no mic].

Mayor Wynn: Okay. Let's see. How about kelly wise?

[Inaudible - no mic].

Mayor Wynn: Okay. So jaime. You may address us, and you can have kelly's additional three minutes. You will have up to six minutes if you need it. Welcome. And you will be followed by ora houston.

Good evening and I would like to thank the council on behalf of people fund and myself for hearing our testimony today about the usage of the stimulus funds. People fund has a vision that all central texas shall have the opportunity to have financially secure and prosperity. Our mission is simply put, to create economic opportunity by helping people build healthy small businesses, purchase safe and affordable homes, and achieve financial security and independence. Our strategic focus is on three distinct but complimentary lines of business, loan operations, which is our longest and to date largest program, community education and advocacy, which includes our annual east austin economic summit, which we are proud to say this year will grow to include the greater austin area and be called the conference on economic opportunity. And people trust, our newest program incorporating housing strategies such as community land trusts and shared equity mortgages. Our core strengths include assembling and managing and leveraging capital, underwriting and risk management, affordable home and production and preservation, business counseling, innovation and advocacy, strong partnerships, strong balance sheet, a high self sufficiency and deep understanding of economic barriers. During this time of economic difficulty, we believe the small business will be one of the driving forces behind this recovery. While we make loans to all small businesses, we are proud to say that our loan portfolios minority representation is well ahead that of the austin per capita as shown here on our charts, we're 20%, and our loan portfolios are around 50 to 60 percent. We have a proven 15-year track record and we continually challenge ourselves to many metrics, but we take pride in quite a few. One is during our tenure here, we have created over 1,800 jobs, which we estimate to equal about \$100 million in revenue

here to the city of austin. With our assistance, over \$31 million in financing has been provided to small businesses and community ventures such as mary lee foundation. We are requesting funding for assistance in our economic -- center for economic opportunity. It is going to be located in east austin on the feather athlete track with the idea of helping small business and other individuals accomplish their dreams. It will have shared offices for small businesses, a training room, conference rooms, leadership events, a permanent center for our peoplefund offices, and will be usgbc leader leed certified. We believe that this center will provide many benefits to the community, including building a strong institution for forward economic opportunity, be centrally located adjacent to the light rail stop. Participate as communities of services that address economics, education and the environment. And create a leed certified center of activity and learning through training rooms, a public courtyard and vibrant shared spaces. Currently we are already past the planning and spec stage and this is our budget. We have been able to raise through federal eda money almost \$2 million and through individuals almost 2 fist thousand dollars. To this date we still are left to raise, however, \$750,000 to complete this project. Fortunately for us the land has been donated by the meredith foundation. Our timing as I said is that the plans and specs have already been completed. The eda requires however that the building be constructed and total construction be done by JULY 22nd, 2010. Site work and construction are expected to take nine months. And we are hoping that the construction can begin in july of 2009. Thank you.

Mayor Wynn: Thank you, jaime. Let's see, ora houston. Welcome. houston, you too will have three minutes, to be followed by joe ropiac. Sorry if I mispronounced that, joe.

Hi. Good evening, mayor and members of the council and city manager, wherever you are. I'm ora houston, and I'm here as a community member, and I'm here to request your consideration to allocate \$500,000 from the community development block grant funds available through the stimulus package to restore and preserve the hamilton-dietrich houses, which are located at 908 and 912 east 11th street to house the african-american cultural heritage facility. Back in 2006 during the bond election, proposition 4, which was passed, which 5 million in bond money to realize the completion of this project. In 2006 we knew that 5 million would not be enough, nor did we anticipate the economic downturn that we find ourselves in today. Yet at that time we had to include the need for a permanent location for the historic black community in the bond package. So this is a new initiative. I'm sure that the council has received a copy of the resolution prepared by the resource advisory -- african-american resource advisory committee, which really details all of the things that we hope to accomplish through the building of this facility. But I want to share with you why I'm here tonight. Some of you may know boyd reginald vance. Many of you may not. But boyd vance was an entertainer, a gifted performer, a musician, an actor. His little body was packed full of energy and he had a kind and gentle spirit. Many years ago boyd and due we books profounded pro arts collective for african-american actors and artists in this town. Boyd died in 2005 and one of his many dreams was to provide a permanent place for black artists and performers to practice their craft. This part of his dream will be realized with the designation of practice space in this facility. And so on behalf of boyd vance and his dreams, I ask you to please consider the allocation of \$500,000 to the african-american cultural heritage facility. Thank you for your time.

Mayor Wynn: Thank you, ms. houston. Let's see. Joe ropiak? Sorry if I mispronounced that. You too will

have three minutes to be followed by nancy cates. So folks, as you hear your name coming up, you can start making your way towards the front. And you're welcome to use either podium if it's more convenient for you. Welcome.

Good evening. I am Joe Ropeak with Austin Habitat for Humanity. I am here representing the Austin Rehabilitation Organization Coalition. Through housing works and some of the major players in the Austin Rehabilitation effort, we have formed a coalition to coordinate the rehabilitation efforts for individual homes throughout the city. Over the past eight months we have grown from four organizations to more than 30, working together to determine that nobody in Austin should live in poverty housing. Through this partnership, Austin Habitat for Humanity has seen a 100% increase in the number of applications this year requesting home repair services. From sodding to roof repair, Austin Habitat for Humanity's a brush with kindness rehabilitation program works on the exterior of homes in Austin to fulfill our mission of simple, decent affordable housing. According to the Community Action Network's 2004 survey, more than 40,000 people or 6 percent of the Austin population, are living in homes or apartments that are in substandard conditions. In our proposal, Austin Habitat for Humanity is looking to double the number of possible projects we can complete in a year and keeping with the increased demand we are seeing through the home repair committee partnership. Based on the number of referrals Habitat has received year to date, we anticipate a demand of over 40 applicants in the coming year. Our proposal is based on an estimated capacity of 39 major housing repair projects each year. Included in the proposal is a request for an additional \$5,000 to spend on each home for a maximum budget of \$10,000 per home. It also includes the addition of another construction repair professional in addition to the administrative overheads that will be incurred with each project. Throughout the course of our home repair program, Habitat has seen that despite being able to do up to \$5,000 in material costs on our repairs, there's still so much more that can be done to each home. I ask you to please consider the needs of the thousands of people in the Austin city when you are voting to distribute these funds. Austin Habitat and all of the organizations in the home repair coalition are sustainable. They are established. And they will leverage the existing resources to be well utilized. [Buzzer sounds] thank you.

Mayor Wynn: Thank you, Joe. Let's see, Nancy Cates, welcome. You too will have three minutes to be followed by Dan Pruitt.

The Mary Lee Foundation has been providing services for 46 years to literally thousands of people with special needs. So they've been around a long time and are very experienced at what they do. Mary Lee Foundation is recommending that rental housing for very low income persons be the highest priority for spending the stimulus money because this is where the city's market study showed that Austin has the greatest unfunded need. Supported housing for very low income persons and families living with disabilities represents the greatest need within the rental housing needs. Persons with disabilities live on disabilities, social security payments that are typically between 5 and \$700 a month, which puts them at 17 percent of the median family income. This amount must cover rent, food and other necessities. With the identification of more persons with brain injury and such, the number of extremely affordable, supportive housing units needed by the sheriff's department is somewhat staggering. Priorities need to be set for the stimulus monies. The first priority support should go to organizations with shovel ready projects that have proven track records with supportive affordable housing. Especially if they have a project that can't

move forward without this money. These construction projects like one that we are in the process of putting together now will create construction jobs over several years that pay above the living wage, which is an important part of the stimulus money. Buildings that house very poor persons with disabilities make the greatest and best austin legacy projects. They will be around for 40-plus years providing housing for thousands of austin's poorest residents. And I'd also like to add that sidewalks should not be left out of the priorities if money is available. It would be great to provide the opportunity to not have to walk in the street to get to the bus stop, and that's very difficult for a lot of people. We have a project now that has an overall budget of about four and a half million dollars. The city has been very generous and has allotted to us two and a quarter million dollars for that project. We are putting one and a half million dollars of private monies into that. And we have a gap of about \$800,000 that we would like to have some help with from the stimulus money, if that's possible. Thank you very much. Appreciate it.

Thank you mayor and councilmembers. I don't envy your decisions tonight. There are so many good programs being brought to you and they're all pretty terrific. Meals on wheels has been serving this community for about 37 years and literally has provided millions of meals to primarily three demographics in town, homebound seniors, people with disabilities, and about four years ago we started feeding children who are at risk of not having an evening meal in our after school programs. We've grown dramatically in that time frame and we've talked to the city of austin demographer, we've done a lot of planning, we've looked at the graphs and numbers for the next few years and we're doing about a million meals a year right now. By 2020 we'll be doing about 2 million meals a year in this community to the folks that I just mentioned. I guess about a year ago we came to city council and to the members of the council and we asked for about \$300,000 to support a major expansion for meals on wheels. At that time everyone was happy to help us and then something happened to the economy. And when that happened, budgets were tight. They're tight today and they're going to be tight next year and I'm sure the year after that. And we respect that. When this money, the stimulus money, became available, we thought this was an opportunity to come back to you and ask for exactly that same amount of money. What we're doing is we're expanding a facility in east austin. Our commitment to east austin is total and complete. We looked at other options and maybe moving to other locations, but east austin is where we've been and where we're going to stay. We have about 4,000 volunteers that volunteer for us on a regular basis delivering meals, and the major distribution center is there in east austin on fifth street. So we're doing that expansion there. I would say there are three good reasons, and I'll be brief. The growth in the population really demands our service. We are a basic need service in this community that no one else can provide and we're a premier meals on wheels program in the united states. The commitment to east austin and the fact that we're pretty financially secure. We've been around for a long time. We will be here for a long time. Charity navigator, one of the primary rating systems for nonprofits, when they look at their fiscal situation, has given us their four-star rating for four years in a row. It doesn't get any better. About seven percent of the nonprofits in the country achieve that rating and we were able to do that. The last thing is we will have for this city a completed project by the end of this year. So we ask your assistance with that and for \$300,000, the amount we ask before about a year ago to help us make that happen. Thanks very much.

Thank you, mayor and members of the council. My name is stewart hersh, a retired city employee. I

don't represent anybody and I'm not asking you for any money for any specific project. [One moment, please, for change in captioners] the fourth is to increase the length of rental affordability to at least 30 years that would be funded with the stimulus money. And the fifth as some have testified before is to provide accessible sidewalks linking extremely low-income and low-income rental housing developments to bus stops and transit stops so our fellow citizens who are in wheelchairs and using canes and walkers don't have to go into the street to get to the bus stop. The performance measures since performance is going to be a critical oversight issue, we should be looking at rental housing to see how much we actually produce for 20, 30, 50 and 80% median family income, and in partnering with our not-for-profits that are housing producers, our chodos, our community development housing organizations, our same targets should pertain to them. I would encourage to us set up a reporting system so at the end of the day we could identify the number of nonduplicative housing units we're producing with this stimulus money in addition to the other fox-rad and city budget allocations that are providing for affordable housing. I think there are projects locally available that with this financing they are ready to go. They are able to serve the neediest that have been identified under the housing market study and we have a windfall. We should use it wisely. Thank you very much.

Mayor Wynn: Thank you, Stewart. You look well. Sophia Casini. Sorry if I mispronounced that.

Thank you. Good evening, councilmembers. My name is Sophia Casini, I'm the area director of refugee service of Texas. We've been in Texas for about 30 years and we've been serving the Austin community since 2003. And we serve around 500 refugees a year. Refugee services of Texas helps securing housing for refugees, employment, mental health counseling and cultural orientation. It's a very small but vulnerable part of the Austin community which I want to discuss tonight and make sure that their needs are also included when you are looking at homelessness prevention and using some of the resources towards matching their needs. The refugees in Austin are extremely diverse. They range from Iraqi refugees who have served as forces overseas and their family members are targeted because of their involvement with us, to Burmese and so on, and those who are targeted because of their ethnicity and religion. They have all been persecuted overseas and the state department has granted them ABILITY TO COME TO THE 80s. And live in shelter and they are provided a certain amount of money through agencies like ours for housing and basic needs until they secure employment and self-sufficiency. So what we're finding with the situation with the economy is whereas in the past employment was able to be secured within the time frame where the government money was provided. Now you have increasing numbers of refugees at risk of being homeless here in Austin. Across the United States, refugees are going homeless. It hasn't happened in Austin yet, but more finances are needed. In a voucher system to make sure that if they are not able to secure employment by the time that the government money runs out, you are not going to find a situation in Austin where you have refugees and people who have been targeted and persecuted on the streets here having additional needs. So I just want to advocate for when the funding is being created, making sure there are also pockets for voucher systems, for small but extremely vulnerable populations and making sure their needs are included in the homelessness prevention. T.

Mayor Wynn: Thank you, Ms. Casini. Zorni.

Good evening, councilmembers. My name is Zorni Ton and I'm with Refugees of Texas as case manager. I am here one year and a few months ago and when I came here I chose to come as an immigrant, but the people I'm working with are most of my people are refugees and that they were here is actually not their choice. They were persecuted for basis of their race and their beliefs and because of who they are and what they come in and like some people [inaudible] -- some clients come with single parents with children. You imagine you come into a different country, totally different world, they don't speak the language. The food is not totally different and the [inaudible] is totally different and it is really, really hard, but the economy is really hard and we take care of them. We have such an amount of time with the limited funds, limited resources and it was really hard for them. And like these clients finally got a job and all the kids need to go to school. And the father he got a job but still really hard. Almost become homeless and ask for donations not for them to become homeless. A little bit better but I have a lot of clients, a lot of people that really, really need. So if you have fund for the people, for the homeless or the people who are in need, it should be considered, these people should be considered. Thank you so much.

Mayor Wynn: Thank you. Kathy Tovo. Welcome back, Kathy. You'll have three minutes to be followed by Kirk Becker.

Mayor, council, thank you for the opportunity to speak and thank you for your vote earlier today to amend the city strategic vision to include Austin's commitment to be the family friendliest city in the nation. I think that provides an important direction for the future so thank you all for your vote and to councilmember Morrison and councilmember Cole and Mayor Wynn. I served on the families and children task force that the city chartered last year and one of the exciting recommendations that came out of that process related to student mobility assistance program. And this is a program that we envisioned would provide temporary financial assistance as well as financial counseling to families who faced, who were at risk of moving outside a particular attendance zone. As I'm sure awful you are aware, AISD has a very high rate of student mobility and it makes it very difficult when families are moving multiple times in a school year, it makes it very difficult for their children to create in cool and creates a large degree of insecurity for the school as well. And so our task force looked at best practices in other cities and recommended to the council that you pursue a rental assistance program that would, again, provide some financial assistance as well as counseling to help families stay within the attendance district for the course of a school year. And so we're very excited about this idea. It's something that the joint subcommittees we believe will be acting on tomorrow and I encourage you to allocate some money from the stimulus funds both from health and human services as well as from neighborhood housing to support this important initiative. Thank you very much.

Mayor Wynn: Thank you, Ms. Tovo. Curt Becker, welcome. You will be followed by Jeffrey Richard.

Hi. I admit I'm unclear on this concept of using homeless funds to build sidewalks unless you are going to use unemployed homeless people to build the sidewalks. We've got new money, spend something on something new. Most programs have case managers. It can be very helpful in coordinating services, but they also serve as gate keepers. It would be helpful to fund an ombudsman office to help people find their own resource and better interact with case managers. I've tried everything, I'm frustrated.

Sometimes works better I'm so angry I could kick somebody's butt. Along with something new, the stimulus funds should be used to support programs that are losing funds during the recession. One of the hardest hit of these is legal aid which helps homeless along with many others. Sometimes all legal aid can do is postpone the inevitable but it helps people adjust. The ombudsman's office may help correct problems before they get to the point of legal aid. With a tight economy, parties get less reason and people are less able to sustain reasonable activity. The need for legal aid increases. You should also find other funds to sustain legal aid. But some of those funds can come from these homeless funds and it's appropriate to do so. We all like to think we're in control of our destinies, but experience shows people tend to have better destinies when they get some help. Due to philosophies and some programs that go under rapid housing, persons under psychiatric crisis, people being released from jail or prisons, people with physical injuries that need time to heal have enough problems. They shouldn't have to deal with homelessness too. And many, probably most of them, benefit greatly from sentence. 10 Years ago the city enacted the camping ordinance as a tool for police officers to deal with particularly object noxious or egregious conduct. Many people when they become homeless all they have is their car and whatever they can fit into it. They don't need help losing those things too. There was a presentation by apd chief saying the they are running out of the money, they are cut to the bone, they need support services themselves. They are writing more tickets and if they -- if they have more budget cuts then they will have to have police officers to process the ticket and that means that they will have to take something like pcs or pes, the psychiatric emergency services, out of their budget and use that for regular police officers. And if they need to cut their budget, they are not cut to the bone. Cutting to the bone for the police department is when they stop giving out so many mickey mouse tickets. You put medians along barton springs, south congress to help people cross the street. [Buzzer sounding] apd thinks they don't need those because people jay walk in the first place. That's what we're dealing with homelessness and panhandling in the streets.

Mayor Wynn: Welcome jeffrey richard, followed by martha smiley. mayor and members of council, city manager. I'm pleased to be here to speak on behalf of home repair, the austin area urban league and the president and there to talk about weatherization and green repair because we can do several things with one conversation with one set of solutions. So we've gone green and so you have a power point presentation with you at this point. Our vision -- our vision is a community where all individuals and families are empowered to succeed economically and to contribute to their community's success. Started 33 years ago, the austin american league has been a part of this community and partner with the city of austin since that time. Our vision and mission are to assist african-americans and all other underserved austin area residents in achievement of social and economic equality and we focus on education improvement, employment readiness, health and wellness and the subject of tonight's conversation the preservation of affordable housing. We've been doing this 32 years. Each year we have -- we repair more than 500 homes and we've been doing this since, as i said, 1977. The partnership with the city of austin and neighborhood housing and community development department is strong. And we have been doing this for some time using the -- some of the very grants that we are talking about, community development block grants. Then I will skip through what we have already talked about, who we are and what we've done except to say that if you will note in terms of our board of directors, we have persons from -- from industry and the community, from seton family hospitals, wal-

mart, state , wells fargo, university of texas. This broad cross-section suggests that there are community leaders who are on our board and guide the activities that we have. I've already said about what we have done in the past with approximately \$1 million annually. Our request to you tonight will be for \$692,000 and i will tell you where that comes from with regard to a large waiting list that despite our best efforts continues to persist of about 18 months. While over the last 30 years, 32 years, we have been benefited by about \$13 million helping more than 12,000 homes in this very, very important marketplace. I won't talk more about our education efforts in the interest of time. But I will say that the need and the market are well advertised and well known. If there is a 18-month waiting list for major roof repair, what that means is despite serving 500 homes, the waiting list for roof repair continues to grow. A couple of years ago we had a very good conversation with mayor wynn who challenged the private sector to get involved and he called it the mayor's housing challenge. That is already available to the private sector on our website. [Buzzer sounding] I will simply say that if you need names of people on the waiting list, I have them here. 173 Strong. We report this each month to the city. We believe that this can be done with green technology, green jobs and a way to preserve the most important asset of most underprivileged persons in our community. Thank you very much.

Mayor Wynn: Thank you. richards, can I ask you a question? You made a request for \$692,000. Do you have -- and you don't have to have this today, but I'd like to see that itemized on -- in some kind of manner of what that will be used for.

Sure. I do have that in the rest of the presentation. It says at an average cost per roof of \$4,000 multiplied by the waiting list you come up with that number. But that is how we get that and those come from h.u.d. Stipulations. The average is about 5 think, but we believe we can do it in about 4,000 and leave the rest for other expenses. But I can provide additional information if you would like.

Okay.

Mayor Wynn: Thank you, mr. richard. Welcome, martha. Let's see, I believe eva was going to donate her three minutes so you have up to six if you need it.

Thank you, mayor. I'll be donating it back to you.

Mayor Wynn: You will be followed by hal lopez.

Thank you very much. And I also understand, mayor, that steve christopher has now arrived. I'm here as a member of the capital idea board of directors in support of life works' request. I appreciate the city's support of capital idea. We've worked with the city for the last years toward our mission of lifting working families out of poverty by providing educational support services necessary to take them from below living wages to wages that give them life-long sustainability and financial independence. We work with austin interfaith. Our educational partners here in the community. Many employers in central texas and private funders to help the local families here gain the skills and educational levels that they need and are necessary to fill the jobs in our community. We have great local partners including life works. And as we look out in our planning horizon, we see that for the next couple of years our downtown lease will

expire, we've looked around for a long time for a good place to relocate our offices. And this is a perfect answer for capital idea. The proposal would put this facility next to the acc campus where the largest number of our students attend classes. It would result in significant cost savings both in terms of the lease payments that we make and the parking fees that we pay. And, of course, those savings would then go back directly into client services. And finally, as we are always looking for ways to collaborate with other partners in the community, capital idea and life works would have an even better opportunity to work collaboratively as life works has been a great partner in providing some of the services that help us serve our clients' needs. So I'm saving the details of capital ideas' efforts tonight because I know the city is very familiar with it. But I will say that we believe that this facility, this proposal is consistent with what the city is trying to do. It would be a great collaborative effort along nonprofits who are working together to lift people out of poverty and make them even more productive members of our great community. Thank you.

Mayor Wynn: Thank you, martha. Let's see, our next speaker is mr. lopez. Welcome. You'll be followed by steve christopher to be followed by richard halpin.

My name is al lopez and I'm john's neighborhood association. We live about four blocks from [inaudible] elementary school. I'm here to testify and actually reinforce the proposal that was discussed earlier around rental assistance program. We've become pretty passionate about transitional housing and homelessness. We decided to actually buy the duplex next to our house and half of the duplex is we've got some women that are homeless that are living there and the other half of the house we've got a family that was going to be relocated out of the web district and they've got a sixth grade their came through the webb resource center, we became aware of the situation and we're housing them while they figure out what they are going to do. Working very closely with the neighborhood association, we've gotten involved relative to the school issue at reagan high school and become more and more aware of the issue of student mobility and how it impacts student performance. The -- I think the statistics are pretty prevalent around. Students in -- children in low-income neighborhoods wind up relocating twice as often as other kids in other neighborhoods. And schools that have mobility rates of over 25%, the dropout rates are two x. The scoring is significantly lower. The failure rates of the students are significantly lower. So what I'm here to advocate and support that the -- as the council considers the funding that a rental assistance program become something that is prioritized as a key initiative to expand affordable housing, number 1, and number 2, really impact and benefit the student mobility issue that we're facing in many of our neighborhoods, especially the low-income neighborhoods. Thank you.

Mayor Wynn: Thank you, hal. Steve christopher. You will have three minutes to be followed by richard halpin.

Good evening, mayor and councilmembers. Thank you for taking the time to let me come forward and speak with you. I am the director of special populations at austin community college. And I'm speaking today in support of life works project, east austin youth and family resource center. We got partnered up with youth works as one of our many initiatives to provide support for services for our most vulnerable students. And this initiative is -- that I want to talk about today the foster youth initiative. We have

approximately 120 foster youth enrolled at acc at any one time and we recognize that they needed additional support and assistance. We pulled together a collaborative group to address the issues. They include folks from texas higher education coordinating board, the casey family foundation, cps, dfps and most importantly life works. And this group came together and we realized there were three main issues that these students needed. One was support, and we developed a support system in the college including staff who act as campus champions, points of contact for these students, and also we develop peer mentorship program through the on campus club. We also developed a system for them to help and to help us navigate resources and support services for them, but there is one issue that we really could not address without partnering with an outside agency, and that was the issue of stable housing for the foster care youth. Life works is an important partner in providing the basic need and support necessary to help our students be success successful in education and eventually our goal is beyond education into the workforce. We're excited about the development of the proposed center for several reasons. Number 1, the proximity to the acc east view campus, which will leverage our support for transitional populations. And help us ensure that we'll meet their education and workforce goals. Second, the volunteer driven literacy and english as a second language service will serve as both a support and resource for our adult basic education population who we hope to prepare for college level studies. And finally, we're excited about the potential for this project to develop affordable housing which really ties in with this whole piece of helping stabilize these students. And that's the one piece that acc can do is the stable housing piece. [Buzzer sounding] provide available for them. We believe the proposed east austin youth and family resource center will be a tremendous resource for the family, for the youth, family and adults of east austin and we're excited to be their partners. Thank you very much for the time and the opportunity to with you.

Mayor Wynn: Thank you. Councilmember cole.

Cole: I have a question for staff, not really a question, but directive. We've heard from a lot of agencies tonight and I'm having a hard time keeping up with their various requests and so I simply want to ask you to provide a detail of the agency, the type of work that they do in the community and what their request is and provide that to the councilmembers.

Mayor Wynn: Make your list and check it twice. Richard, welcome. You will have three minutes to be followed by emmitt hays.

Thank you, mayor and councilmembers. Thank you for such a long day you and your families have given to us in the community for being here tonight and listening to everyone so respectfully. My name is richard halpin, founder of american youth works in austin, texas and as many of you know we have been partners with the city for about 35 years now. Our goal has been to reach out to the most marginalized, what we call at promise young adults and help them become contributors to society. As you all know I'm sure, 70% of the people filling our jails are people of low-income and school dropouts. We must break this cycle of perpetual generational poverty. We propose to do that by connecting very succinctly and concretely with the economic studies that have been done about the green jobs coming to this community. We propose a very pioneering opportunity by building the first we know of in texas green jobs training center. This green jobs training center will teach the very specific jobs that are

coming to our city, mayor, as you saw in the handout that I gave you all earlier today. These jobs are living wage jobs. These jobs can break that cycle of perpetual generational poverty. As we all know, these folks come to us and 25% of them are homeless. Most of them live in substandard housing. This gives us and them a chance to get the skill sets and the industry certificate competencies to be able to become people who get these jobs and keep them. We are proceeding on very innovative adult workforce literacy hands-on applied learning so people move their literacy skills up as they are moving workforce competencies up. Every person who drops out of school costs between 500,000 to 7 million each in losses throughout their lifetime. We think that this investment of a very fraction of 1% of that cost will be able to give these people an opportunity to learn the skills. Located at 1901 East Ben White Boulevard, this lead level facility provides day and evening classes along with child care and current training services, nutrition food preparation, entrepreneurship and other wrap-around services that allow these folks to really get a chance to get and keep their focus on getting and earning these workforce skill sets and moving into the jobs that are coming to our community. When we look around and our work with the chamber as shown us, we are unprepared to get people ready for this new and exciting economy. Many of you on this council have been leaders in the new and exciting economic opportunities, green opportunities that are coming to our community. Surely it makes terrific sense for an entrepreneurial social investment of these funds to get our most marginalized and everyone else will be welcome to come to the training center as well, but to certainly thoughtfully invest in these folks and earn the chance to become successful folks in our community. Thank you so much. We're asking for \$500,000. We have 2 million already committed. This \$500,000 would close the project and make it completing funded. Thank you.

Mayor Wynn: Thank you, Richard. Welcome, Mr. Hays. You too will have three minutes to be followed by Tom Spencer.

Thank you, Mayor. Good evening, council members and representatives. It is important for me to note that I am president of the board of directors for the Neighborhood Housing Services of Austin where we have been in the business of building affordable housing as a partner with the city since 1992. Had an opportunity to visit with many of you over the years to have conversation about our work and it is important for us to bring forward the point that there are a lot of noble works that need to be done in this community. And a lot of great causes. I would love to be able to stand here and boast that we have been able to collect in terms of donations a million dollars, that we have a budget for projects in the 2 or \$3 million, but the reality is we do not. But we have put 100 families into John's community. And we've been able to build affordable housing as a nonprofit community development housing organization since 1992 and we believe that our work is just as noble. But we have seen on a national front where the big organizations, the big companies appear to get significant hearing from key individuals who make the decisions about money, and I really appreciate the opportunity as a small organization to be able to present to you that we need the same kind of help. We're not in a competitive situation for these dollars, but we do know that we need organizational funds, we need to continue to build. We are a working board. I would love to say to my board members here, but I'm more proud to say they are John's preparing a house, actually claiming a house themselves and preparing it for a family to move in. We are doing the work ourselves because we don't put money into our organization as we would like to many times, but we do need the help to continue the noble work we do. Shaw and her staff who have

been able to help us nurture a small organization into the organization we are today. We do have a project th turner lane, it's near the spring dale shopping center we've been talking about for a couple of years. We have a landowner who is ready to work with us, but we have to ask ourselves again and again how do we get access to the money to build affordable housing in that area. And we have to go out and create more assets for our sales which continues to be a challenge for a small nonprofit organization. What we ask is that you consider us in this stimulus package. We know that the large organizations' needs are just as great. Ours is just as great, perhaps even greater because we are small and we do have the same ideals in mind and we do recognize that our children are messages we want them to know service to community is noble and sometimes you have to roll up your sleeves and get involved. [Buzzer sounding] we know we need encouragement and help from the stimulus package would allow us to continue to grow and develop our program. Thank you very much for your time.

Mayor Wynn: Thank you, mr. hays. Welcome, tom. You too will have three minutes to be followed guy katherine stark.

Thank you, mayor, city council. of austin religious ministries. I'm hear wearing two hats, one is a participant in the repair coalition referenced by joe. We're very proud of this effort. All of the repair services in the city, coordinating trying to find what are the best practices in the united states and follow those, and what we've discovered is looks like we are the best practice in austin, texas. We cannot find another instance of this kind of coordination effort taking place anywhere in the nation at the present. Of course, I'm also here representing hands on housing. Hands on housing is a n aims program, it is a 20-year-old program and we're proud we have added three major partners including the meadows foundation, glimmer of hope foundation and the top for family foundation within the past year as significant partners in this housing repair effort. Right now hands on housing has a waiting list of 90 families looking for help. We can eliminate that waiting list quickly. We have teams ready to go. We have expanded our program in the past year courtesy of an additional program that now operates year round called handy helpers which utilizes and. Volunteers working along with hired staff. We could hire additional staff, expand this program quickly and eliminate our waiting list of those 90 families this year. These are individuals who are the legacy of austin. They live in legacy neighborhoods. We focus on the east side, our homes right now, but we have extensive demand beyond those neighborhoods and would like to expand and could with your assistance. john's neighborhood, expand into montopolis and the dove springs neighborhood and assist these families, some of whom are living in very dire circumstances, and again with very low investment dollars we can come in, leveraging the volunteers from the faith community and other sources and make a tremendous impact. Meaning for under \$2,500, in some cases a new roof, new floors, fixed doors, new patios and secure places to step into the homes and often including significant plumbing repairs inside of homes. This is doable. Again, your assistance and the good partnership we have long had with the city of austin through margaret's offices and the materials reimbursement program which has been essential to news the past, we are already a partner and willing to move and have a dollar figure in front of you what it would take for us to immediately within the next few months eliminate our waiting list and we appreciate the partnership you've extend understand the past and look forward to working with you closely in the future. Thank you.

Mayor Wynn: Thank you, mr. spencer. Councilmember shea. spencer, awhile ago we exchanged

information about e-mails and I was want to go find out had that been resolved?

We don't know the long term prognosis for that currently, but it has been resolved in the short run, yes, ma'am. City staff responded quickly and we are deeply appreciative of their efforts.

Thank you, and I'm really appreciative of your efforts.

Mayor Wynn: Welcome, katherine. You too will have three minutes to be followed by christa nolan.

Katherine stark, executive director of the austin tenants council. We do landlord-tenant issues and fair housing under the law to assure there's not discrimination in housing. Housing is the lynchpin for families. If you don't have housing, your kids aren't in school, they are moving all the time. If you don't have housing, there's no place for you to deliver the meals to. If you don't have housing, you can't go to classes to learn spanish. The cdbg dollars have historically been the city's housing dollars. That's what we've used to subsidize units and bring the cost of housing down. The other key factor that we need to look at is the housing -- there was just a housing study and it showed a huge, huge gap in housing for under 50% of the median family income, especially for people at 30% of the median family income. We need to look to ways to leverage our money and to make the subsidies in the housing that we are building and in making available to the citizens more affordable. That we reach farther down to the income levels because that's where the greatest need is. The other thing I wanted to talk about is the increased need for counseling and mediation. We've seen a large rise in the counseling and mediation demands at the tenants council. Yesterday I had an austin police officer come into my office and ask to talk to me. We now recently have landlords starting to take the doors off of apartments to do self-help evictions. He had three or four of them just in the last week and came to my office to see what we can do. We talked about it and we're going to do some mailings and some education and try to let people know what their rights are when something like that happens, but it's getting a little tight out there. We are seeing that people are not necessarily losing their jobs completely, but where they used to work 50 hours, they are working 20 hours now. Where they used to be able to pay all their bills, one month they can pay one bill, the next month another bill. So they are hanging on a little bit longer, but we're going to see there's a lot more people that are going to be homeless or near homeless very soon. The counseling lines are getting a little bit more desperate. I just wanted to also talk to the council, put my fair housing hat on and say it's great that we're building affordable housing, we're building housing that other people can use, but we really need to look at diversifying that housing throughout the city, not just east austin. I that I that's all I have. If you have any questions, i would be happy to answer them.

Mayor Wynn: Thank you. Questions for ms. stark? Thank you, katherine. Christa nolan signed up. Welcome. You two will have three minutes to be followed guy johnny limon. mayor and councilmembers. Thank you. I'm christa nolan with community partnership for the homeless. Frank fernandez couldn't be here but he gave me his remarks. First we request the funding of a school program. This would be aimed at areas that have a mobility rate that exceeds 25%. Rental assistance for school stability improves equity in education, local positive outcomes and expands opportunities for self-sufficiency by reducing student mobility, one of the greatest barriers to student achievement. This model is demonstrating success in portland and we would like to replicate this best practice in austin

with the pilot program with this funding. Second, we would like to also prioritize rental assistance for priority population. Persons with disabilities, domestic violence survivors, elderly and reentry population. Finally, we reiterate the priority for funding affordable rental housing development. Specifically for special needs populations. The same ones addressed with the rental assistance. Thank you.

Mayor Wynn: Thank you. Johnny, welcome. You will be followed by Karen Langley.

Mayor and city council members, my name is Johnny Limon and I'm a board member of Housing Works. And when I was asked if I wanted to join the Housing Works board, you know, I couldn't resist because I had heard throughout many years from community members, families that their homes need a lot of repair. So as a Housing Works board member, myself with two other members decided that we wanted to talk with the organizations that do the rehab and, you know, of homes here in the Austin area. And we got together with Habitat for Humanity, the Austin Urban League and Hands On Housing because we wanted to see what could we do, you know, to help more people, you know, get their homes fixed. Because we know that the need was -- is very big here in Austin. And I never would have dreamed that out of these -- these four organizations that this coalition would grow to already, you know, 30 different organizations. And some of them are service providers to this group of people which mostly are elderly people. The elderly people in our community, they have already contributed to this great city of ours. And now they need our assistance because it is not a good thing to see some of our neighbors, their homes in the conditions that they are. But they are very, very proud people. And so what we would like for you all to do is help the organizations that you have already heard tonight that do rehabbing of homes and help them by funding them so that they can get rid of all the backlog of families, the list, the waiting list of all these families that have been waiting, some of them for maybe two years. So that they can live in a decent home. And that is a legacy that we as a city can live for these people that we've already contributed a great deal to our city. It is now our turn to give back to them and help them live in a decent home. So again, thank you, and I want to thank, you know, all these organizations that really have surprised me that this coalition has grown so big because we all have the passion and that's to help one of the most vulnerable groups in the community which usually are the elderly so thank you very much.

Mayor Wynn: Thank you. Karen Langley, welcome. You will have three minutes. I believe you might be our last speaker.

Good evening, council and mayor. I'm Karen Langley and I'm the executive director of Family Elder Care. Family Elder Care is here tonight to request funds through the CDBG economic stimulus funds to continue to support the construction of our new program center planned for the Mueller redevelopment site. Central Texas, as you've heard from Dan Pruitt with Meals on Wheels, is at the crux of an impending elder boom which I liken to a perfect storm at this time because of the economic downturn and what havoc it's wreaked on retirementization of older adults. Our new program center will provide a continuum of services to low and moderate income, older adults and people with disabilities and we also serve the homeless or at risk of homelessness. Last year we served 6,700 individuals. As part of the Mueller redevelopment plan, our program center will be required to meet at least a three-star City of Austin energy requirement and also has taken on considerable site development costs as being over there.

We've appreciated very much, and I did want to acknowledge the past years of the city support for building our program center with \$250,000. We are at the last leg of our capital campaign, and this economic downturn couldn't have come at a worse time, right when we were about ready to raise all of our funds. So the half a million dollars will complete it completely. And allow us to move forward very fast and we are shovel ready and would be able to put a lot of people back to work in a green funded project. Creating jobs and serving vulnerable population. I did want to just stop for a moment and applaud Margaret Shaw and her staff for all the hard work that has taken place getting ready for these proposals along with the human services staff. The short turn around has really prevented a lot of planning that I know we would want to be able to do if possible. The human -- the nonprofit community on a regular daily basis I've got a folder full is hearing about these different opportunities coming down to us from the state, from the county, from the city. And I just want to take my last few minutes just to urge that because different programs are addressing different opportunities, that we take enough time to really piecemeal these incredible opportunities that are being afforded to our community because it really -- [buzzer sounding] -- this is an unusual time to be able to serve a number of public -- important public works which I heard today that need support as well as all the services. So thank you very much.

Mayor Wynn: Thank you, Ms. Langley. Council, I believe that's all the folks who signed up. Is there anybody here who attempted to sign up? Please come forward. Try to do our best to follow.

I think I completed it. As well as my friend John who wanted to give me his time. I'm going to try to be brief. I'm compelled to speak to you. I'm Illinois Davis Thompson, some of you call me Cookie. Goo you're good evening, Mayor Wynn, City Manager and all persons in attendance especially those who love this community as much as I and my friend Scottie Ivory who couldn't be here this afternoon. But she recently voiced her displeasure at seeing an historic piece of property in East Austin that had been sold and was being advertised as a place for commercial development. We called it Old Emancipation Park. I want to talk with someone about that. I am here to speak though regarding the proposal, recommendation to allocate \$500,000 of stimulus money to the African-American Cultural Heritage Center. Slated for development with the bond money. I am encouraged by this gesture but have numerous questions that I would like to have answered about it. And other than the community who asked me what it's all about and what it will actually mean for us, it's real significance to the African-American community and the preservation of its historical legacies. I was excited to learn of the recent Council action regarding the designation of an African-American Cultural District. I would like to know more bit. Councilmember Martinez mentioned it during a candidate forum at the Millennium Entertainment Center. I also learned that the African-American Liaison position at the Austin History Center would not be filled. My excitement and expectation immediately turned to utter dismay as what I call the dichotomy of kind of things that happen in city government. Karen Riles who occupied that position, I helped create it because I felt we needed an African-American liaison and while we were happy to have her there. After that it was added an Hispanic liaison and Asian-American. I would hope that position would be refilled but it's desperately needed in our community. She moved to Atlanta. One of the many African-Americans who come here and leave. I want to think that there's no lack of genuine community participation and representation in some decision making in this case for this cross purposes that seem to occur. Actually we're not experiencing a disingenuous with us effort to merely pacify the African-American community. I'm a I passionate about that now. We are still here having participated in the

building of the capitol, the city and this community from its earliest beginnings. My ancestors were among some of the earliest in travis county in austin. The legacy of these early settlers has never been adequately documented and i have been here several times in the past asking that if you truly care about the quality of life for african-americans in this community, you would appreciate the importance of preservation -- preserving their history and cultural contributions. They are not one and the same. The study combined with the presence -- with the present and the history will help you understand and appreciate the cultural contributions and their significance to the declining numbers of why people don't stay in austin. I was part of the historic survey and after asking h.u.d. To ensure a survey was taken, we had -- and had it not happen, no one would even know that the dietrich hamilton house was important to this community. But we researched and found out that the people and contribution were significant to this community and that was why we sought to have it preserved. I know there are many important sites in austin, now vacant many of them because of the buildings were torn down. Madame christian's beauty school. The harlem theater. People's business college. Olive street school. No one knows they existed but they were important to this community so I've talked about a marker program that would say markers there that say black people existed here and made contributions to this community. I have -- families that lived in the hamilton dietrich house I knew very well and I talked to them before they both died and they talked about not only their home but about this community. And not just their house. And they would want us to do more I'm sure. I simply ask that starting with the town hall meeting schedule for saturday the 25th from 2:00 to 4:00 p.m. It be attended by some city staff and let's have input in how the money can be directed and beneficial to us as a community. Understand that the stimulus requirements, I know about the programs and I was kind of worried when I heard the 12 day turn around that is correct doesn't give much time, but we've gotten ahead of the curve. We have a town hall meeting scheduled and we would like to have people gather and say these things could really benefit us or make us feel better about being a part of this community. I have appreciation and respect for pro arts and lisa bird and I know she works very hard. So I'm happy to say I'll be willing to work with her. My concern is that we build buildings in our community that for one sat unoccupied for two years t millennium is under utilized because not enough pl went into it. That's the kind of thing i don't want to see happen again. That's why I'm here to say let's talk about better planning. Let us use some of that money if it's allocated to leverage other known ensure if the building is constructed, that we have some viable programs that then can be implemented in it. Let me thank you. I don't want to sound like I'm fussing at you because I have great respect and appreciation for every one of you. Some of you I know person listen and have worked with and I look forward to doing more of that in the future, but I'm going to ask at this point we look seriously at our african-american community, what has happened to it, why it's declining, how we need to make people feel better about being here and take us real serious. Thank you.

Mayor Wynn: Thank you, ms. thompson. Again, any other folks who had signed up whose name I haven't called? Councilmember martinez.

Martinez: I was going to ASK chief McDonald to give us the update on the african-american cultural center.

Yes, the -- the african-american heritage, the boundaries were determined and that's pretty much all

that have been done along those lines with the african-american resource commission. They are putting together some subcommittees and other approaches where they can then take the next step to work with the community to determine what things need to be prioritized in the short term, the long term and what -- and inventory of the assets that are there, such as identifying historical sites, markers and those sorts of things. The first thing we felt was important and thanks to your office and councilmember cole's office was determine the boundaries.

Can you remind us of the boundaries?

I-35 to the west. You travel 11th street until you get to comal going east, and then comal down to stella street to the south. Then still going east to chicon, and then chicon up to rosewood and rosewood out to airport. Airport going north to manor road and then manor road west back to i-35.

Martinez: Thank you.

Mayor Wynn: Sort of dizzy. Council, that conclude the public testimony portion of this public hearing. Comments, further questions of staff? Margaret, I'm sure you did this earlier, but remind us again sort of the next steps and we do -- as opposed to the cbdy, there is the specific deadline for us to submit the stimulus.

Correct, the homeless on may 18th so we will be back before this body on the 14th for discussion. And items on that for the public's purposes we will be launching both an online idea format. So if you go to the city of org/stimulus, there's going to be a section where you can put in for the cbdy moneys, your ideas on how you heard many of them tonight, but we wanted to make sure the public who couldn't be here tonight and had some ideas could get those into the group. So we'll be opening that up tomorrow ongoing is written comments so those are at neighborhood centers, public library, also available online on the housing department's website. And we'll have a series of public hearings, I believe is that for the homeless? That's it along the line. So it's a combination of i don't know line written comments, this public hearing and then survey for the cdbg portion alone. We'll be back before council -- apology, we'll be back before the community development commission on the 12th. MAY 12th. And back before this body on THE 14th. Again, as I believe langley referred to, we're moving very quickly on this so we're trying to build from our wealth of research and expertise that we've had in reports and plans to make sure we're making the december bestdecisions.

Mayor Wynn: The next week folks can still give comments. Then for the first ten days of may, staff will be compiiing its recommendation first at -- and then to this body.

We have close to \$20 million of funding that we will be allocating. We'll be through with this stimulus money in may. We'll be right back before the public in june with the allocation of all these different funds. So again, you heard a lot of incredibly important issues. We've been working with our stakeholders especially the rehab coalition, I want to give them a shout out. They have been a tremendous impetus for getting input and we recognize the rehabilitation and repair of homes for our low-income residents is a critical need and we have been working on that as part of the consolidated plan. We have two buckets

of money that we'll be coming back to you with in the next six weeks.

Morrison: Can you tell us how much detail we'll need in our application on the 18th of may? Does it have to be specifically this program, this number of dollars and exactly what the money is going to be used for? Or can it be done sort of in buckets?

I'm bringing david lowery down from the health department, but I believe it's fairly specific.

That's the short answer, yes, it is specific in terms of the goals and possible uses. Funds so we will have very specific proposals and specifically designated dollar amounts for each.

Morrison: Okay, great. Thanks. This is going to be really challenging because obviously there are so many needs and so many wonderful programs. I guess it's going to be a real challenge also, a good challenge because it is overlaid with the rest of our normal annual applications. So I think we'll want to be really careful that we try to, you know, optimize the whole thing. So it will be a lot of work, but it's great work to be doing.

Mayor Wynn: Further questions of st? Comments? So technically -- I want to make sure we satisfy all the federal requirements, margaret. So do we -- from a posting standpoint do we need to close this public hearing and we'll have sort of satisfied the public hearing aspect of what is this prescriptive.

Yes.

Mayor Wynn: Motion by councilmember leffingwell, seconded by councilmember mart to close the public hearing. Further comments or questions? Hearing none, all those in favor say aye. Opposed? Motion to close the public hearing passes on a vote of 6-0 with councilmember cole off the die as. There being no more business before this meeting of the austin city council we stand adjourned. It is 8:00 p.m.

Good morning.

Mayor Wynn: I WOULD LIKE TO Call to order this special call meeting in the austin city council. This is wednesday, april 22nd, 2009. As we did last spring, this is the first, I think of a hand full of what we characterize as work sessions, specifically related to a presentation about the city's economic outlook and a 5 year financial that I guess will ultimately leave a sense of series of work sessions of the '09-'10 budget becomes personalized so I guess I would like to turn it over to the city manager.

Thank you, mayor, i appreciate that and appreciate council taking the time to meet with us today. Of course as you have already indicated, the purpose of the special meeting is really to launch the budget development process for 2000, 2010, I don't have to tell the council and the community about the financial challenges we have endured since I became your city manager, beginning back in february of 2008 and of course you will recall not long after I started we were challenged with a budget shortfall for that fiscal year and you know what the outcome was. We undertook a variety of strategies to close that gap and at that time it was about \$8 million and almost simultaneously, we were in the process, like we

are today of developing the budget for 2009, the current fiscal year and of course based upon on our analysis at the time we determined that we had a significant shortfall per revenues, in particular our sales tax revenue in the amount 3 million, and again through a variety of strategies that involve the entire organization and loss of input from the organization and this honorable body we were able to provide a balance budget 3 million, and of course we all know that these challenges financial challenges that we have, as a function of what is happening in the national and, indeed, the global economy and has impacted our city and cities throughout the country in fairly dramatic ways, but with respect to this current budget, we did close that gap, but not long thereafter, some time I think around the first quarter, early into the second quarter, we advise you, again, that because of the continuing decline in sales tax that we were yet projecting an additional shortfall in the area of \$20 million, which of course is the last reduction round that -- that we engaged you about and engaged the community about and of course subsequently we offered up and ultimately implemented a range of strategies that we believe, based upon our analysis, we will, it stands now at least close that 20 million gap and I say that, asking at the same time that we all have to be mindful that this fiscal year isn't over yet. But while we continue to manage and monitor our fiscal circumstances with respect to 2009, like a year ago, we are now, as of today launching our budget development process for 2010. And I guess I am going to get to the crux of the matter at the very start of our time with you today by telling you that, based on our analysis we also anticipate for 2010 a significant budget gap that will be challenged to close, and I say challenged, and when I say challenged, I mean things that we'll have to do in order to close. I also see opportunities in regard to the work that we are going to do over the course of the next five months. The budget gap I am alluding to for 2010 is approximately \$30 million and let me qualify that a little bit, when I say \$30 million, that's even based upon looking at the work that we have done in the context of the roll back rate, and I can tell you that it is very likely, in regard to the recommendation that we will offer to you, later on in the year, in July, that our recommendation will more than likely come to you at the rollback rate. At the effective rate, the gap is substantially greater than at the rollback rate, I think in area of \$40 million or so with the rollback rate and when I say rollback rate, I mean we are challenged with a gap of approximately 30 million-dollar that is also takes into account a number of assumptions we've already made that you're going to hear about in the course of the presentation today, steps that we have taken to try to contain our costs on an enterprise-wide basis and I won't be any more specific than that because I know our financial staff is going to do that for you today. Having said all of that, let me just talk briefly about process. You know that undertook as your city manager was the first budget development process is that I was responsible for. I did so having made a commitment to really opening up that process and sort of taking the mystery, if you will, out of how a city, this city develops its budget, and you will recall, we took you through a series of workshops right on the front end so that you can get a sense as we started the development process of what we thought, on a departmental basis and an enterprise-wide basis, what were some of the challenges going to be. I intend to continue that beam of transparency with respect to the budget development process for 2010. In fact, the intent here is to enhance that, and we are going to do that in part over the course of the next five months with a series of 7 different meetings, relative to the budget element process. I have called on all of our department heads, business executives, assistant city managers to work very hard to begin to analyze their financial circumstances but not to do that in isolation but to, in fact, involve others now in the course of them developing their budget requests for 2010, so the departments will, in advance of their submittals be

engaging, for example, the boards and commissions and giving them a sense of the ranges of need that they have on a departmental basis. We are going to be using a number of other tools so we can survey a variety of things to assist the department as they develop their budget requests for 2010. I have asked them to submit this year their budget requests earlier than they did last year and the reason for that is because we want to have more time for this honorable body to deliberate and discuss and ask us questions in regard to the manager's budget recommendation. Along the way, between now and July 22nd, when we are required to come to you and submit our budget recommendation, there will be a number of things that occur. Obviously we have the five-year that today and there will be conversations among departments and various boards and we may even do town meetings. Through all of that, of course, as we have had through other iterations as we have had in terms of the revenue shortfalls developed a comprehensive menu of reductions or other opportunities address the gap that I am talking about. In addition to that, and this is -- this is the enhancement of this more open and transparent process, in addition to just receiving the city manager's recommendation on July 22nd, we intend along the way to make available to you the full range of needs that are identified in part of the five-year forecast that financial staff and all of departments undertake, we will make that information available to you and also in the way we get in input in boards and commissions and others we will touch in the course of this development process. We are going to make development to you the actual budget requests we receive, we are going to make available to you the comprehensive menu which will be the basis upon which we will draw, the staff will draw from in order to offer a balance budget recommendation to you here in July, so, in effect, you will be able to go from the recommendation that we provide and you will be able to track that all the way back -- in other words all of the iterations that we go through, beginning with the five-year forecast, all of the things in between, track directly to the budget recommendation that we will ultimately make. You will be able to do that, the organization will be exposed to that and, indeed, the entire community will be exposed to that -- to that information. I wish I could tell you that the challenge and the opportunity before us, in the evening were easier to what we anticipate, it is not, it will be difficult. And I recognize that no matter what budget recommendation I offer to you, as hard as we're going to work, to try to be responsive to what we hear and what we learn. I recognize that there will be some that will take exception to what we recommend and certainly prepared to hear and we will embrace all of that input, but I think it's important to understand, and I think I've said this before, when we sit in this room to talk about the city's fiscal financial circumstances that fundamentally what we are challenged with -- not like other -- unlike other municipalities around the country -- is a fundamental challenge in terms of the inadequacy of the existing revenue base. I think you will recall that I said that to you before and that, at some point here in the not too distant future, it is going to be important for you, as the policymakers of this city, who engage with us in the community, in regard to a discussion about revenue policy and revenue structure. I think that is fundamentally important. Having said all of that, I think that with respect to the challenge that lies before us immediately, that the answer isn't necessarily the kinds of things that we and other cities typically do when confronted with this kind of economic decline and its resulting impact on local governments' budgets, this, I believe, it tells us a solution that goes beyond a short-term fix. I think that while we will apply some of those strategies that we have to look more fundamentally at -- at probable structural changes, both on the revenue and the expenditure side, so that we can get closer to solving the problem. I think ultimately, if we do the things we need to do and we do them right, we have enough

discussion about this and deliberation about this, the optimistic part, is I think we can come through this on the other end better than we were before. I think that that's possible for us here so that the next time that there is economic decline that impacts local government, not just ours but others, that we will find ourselves in a much more sustainable position if we really focus and make the right kinds of decisions in the course of developing this budget, so that's what I wanted to say to you this morning to kind of launch our discussion and provide you with the frame within which we intend to work as we go forward to develop our recommendation to you for July. You see our financial staff over there, all in the usual characters are sitting on the other side of the room, our chief financial officer and our new budget officer, you know Greg and you know John, Leslie is going to take up the balance of the meeting and talk to you a bit more probably about some of the things I have already said but more detail we are going to hear something that he does well, exceptionally not only for the city of Austin but in the community in terms of the economic outlook and Ed will drill down and give you some of the details behind the picture I have painted and of course Canally is there to also support the substance of the discussion we are going to have with you today, so with that, Mayor, with your permission, I will turn things over to Leslie

Thank you, City Manager. Could you cue up the slides? We are going to kick this often. The City Manager talked in detail about the budget process and we will turn it over to John Hokingose in a minute but I wanted to cover a couple of slides related to the changes and the process. All of the things that the City Manager talked about are here on the first two slides and then just for the viewing public today, all of the information that we will be subsequently providing to the public and to Council will be available on the city's internet site at [us slash budget looking at the actual dates](#) and then we will turn it over to John for his economic outlook. Here we are today on April 22nd providing you with our economic outlook for the short-term future and our five-year financial forecast with the focus on the general fund and with a focus on 2010. Then we would propose a second work session on May 20th, and there we would bring to you the results of our citizen's survey, we are doing that earlier this year, our employee outreach efforts, the major reductions -- major recommendations, for example, that came out of the City Manager's dollars and since initiative we received over 1700 suggestions from employees. And the human resources department is looking at doing some employee focus groups as well. We would also be talking to you at that work session similar to what we did last year, just about the general budget reduction strategies that department directors will be formulating and then as the City Manager mentioned, on the calendar here is a -- an internal deadline. This is when the departments would actually submit their draft budget reduction proposals to the City Manager and that would be part of that overall menu that we would provide to you on June 11th. June 11th is a regular Council meeting. Our budget officer would be prepared at that meeting to give you a budget revenue on any estimates and the scrubbing we were able to do to our overall estimates, talk about a summary of the corporate time budget reductions that we could potentially be looking at. These are things that are not necessarily department specific but they are more universal in nature and then deliver that report of draft budget reduction proposals to you that the City Manager would also then use to craft his budget proposal that we would deliver to you on July 22. And we are proposing this occur in a work session format as well. Then, in August, we would have a number of briefings on the budget, including a chance for you to look at our enterprise funds in greater detail at three different briefings, which can either be at Council meetings or as dedicated work sessions, depending on what format would suit the topic best and then budget approval readings are

scheduled for september 14 through 16, so with that, if you could queue up the second slide presentation, I am going to turn it over to john hokingose for an economic outlook thing mayor, manager, members of council, thanks for having me back again, I was walking over here and sitting kind of the in the ozone and greg walks and he says thank god, what is going on and he says you are not wearing a tie and he said the truth is, I didn't wear a tie and in 2008 I gave real estate speeches and thought I would be respectful of the challenging situation and put one on and it didn't feel right, so I am back here with no tie, thank goodness but it is an interesting time to talk about what is going on in the economy and talking about the economic out look here in austin and I think we always have known obviously that we are part of a bigger hole a and as our economy as changed and city verse fied over time we have to pay greater and greater attention to what is happening out there in the rest of the country and across the world especially true right now so i am going to spend a little bit more time this year than i normally do on the national economy on the national environment and sort of what is happening across -- really across the world as a whole and then drill it down to what is going on here in austin and then I will sort of you the results of my process in terms of what i think the sales tax outlook is for this fiscal year. So there is a bunch of data here, really a bunch of discussion that basically says the economy is in significant recession, it is entertaining to me to watch my colleagues spend a joint amount of time and energy officially declaring things that people have known for months and months and months at a time. It was big news in december when the national bureau of economic research said, yes, we are in a recession and the stock market dropped 400 point that is day and I thought did anybody miss that, was nobody clear about that before that? And so that is the way it is, 2% at the end of last year, most people think first quarter of this year will be down somewhere between 3 and 5%. We have lost over 5 million jobs nationwide. The only positive thing, and this is a little bit of a positive because it could have been worse is there was a significant chance this past fall that the entire world financial system was about to crater. I had to give a speech to a bank board the first week of october in the wake of the problems that layman brothers and the indicator that is people pay attention to such as the rates that banks charge each other for overnight lending had skyrocketed and that indicated that the world thought the system was teetering on the edge of falling apart. The good news is it has improved. So guess somewhat we are in a deep recession but the system is relatively sound. Doesn't everybody feel much better now that I have said that? And the last bit is certainly we read the stoies you can buy a home in detroit for less than a how dollars, there are a number of places around the country where you can literally buy a home for a dollar in some cases. Sometimes when the case is a thousand dollars, that is just the commission they will pay the real estate agent. Banks are doing anything they can to get some of this stuff off their books, so there is no question that we are -- we have significant problems nationwide and I will show you pictures to illustrate some of this. This, again, is something that -- and some of these slides I shamelessly borrowed from the corporational budget office. This is the spread of lending on banks and the point is really, look how flat it was in 2007 and how low, that meant the world financial system felt some confidence in each other. Look at the beginnings of problems in 2008 and the spike is obviously what happened in layman brothers. That spread has come back down below 1% subsequent to that but not where it was in 2007, so people feel reasonably comfortable about the integrity of the system but people are still nervous is basically what this line tells us. Change of banks willingness to lend, percentages changed across the country. Gray bar is recession. It is no coincidence recession occurs when banks are nervous about lending money because at the end of the someday,

the popular adage is capital is the fuel that drives an economy. If people don't have capital, it is hard to expand their business and conduct their operation, so you can see there, again, it is pretty negative at this point and this one is kind of interesting for me, this is consumer confidence has put forward by the conference board, which is put in new york, the top bar, top line there with the round circles for marker is wsc region, west south central, that is us, texas, arkansas, oklahoma and louisiana and the gray line is the united states. number, if I remember right, I believe it is 24 or something like that from march that came out is the most negative number in something like 50 years and you see we follow the national trend and you see that we are consistently above the national trend which speaks of how texas and people in other parts of the world think that yes, it may be bad but not as everybody else and thank god we are here and i think that pretty well sum that is up so consumer confidence right now is obviously quite low. And then people are starting to talk about inflation and the reasons that is because of in the wake of the stimulus package, the tar factor, the arra or whatever the acdejour is and there is something that what is going with the economy will go back in the economy but right now dephosphorylation is a much more significant concern, this is a twelve month change in the national consumer index that means march, prices of '09 rolled together, prices were actually lower than they were in march of '08 and that is an unprecedented drop of what happened last fall. Right now dephosphorylation is the biggest concern. The biggest concern is housing prices are going down and that is a significant part of this overall index and then this chart, there is a lot of talk about the stimulus and the effects of the stimulus, i wouldn't pretend to tell you i understood the details but a couple of things are interesting, cbo did a fairly extensive analysis of stimulus that was one iteration back to ones past although the dollar amount changed but the relative proportions didn't change that much and so what I have done there is by year in the table -- and that is in billions, obviously, clumped it together into three buckets, one is actual federal government spending and one is money that the feds will give to the state and the third one there is the impact of actual tax cuts. Two things are interesting, unone it sort of divides out relatively evenly between the three over time but the interesting thing to me is the bulk of the impact mostly due to concentration of the tax cuts is next year and I -- when i cleverly at the beginning of the first gulf war made a statement to the news that when the shooting occurred the price will go up and I was wrong and the reason it was wrong because the market already anticipated the impact of the hostilities commencing so when the shooting started the price of oil went down, we are anticipating the impact of the stimulus package right now as a community, as a state, as a nation, the actual effects we actually won't see, most of which we won't see until well into next year, particularly as it relates to federal program spending and as it relates to aid to the states. I am a part of couple of groups talking about high speed rail right now. Nobody really knows exactly how to access the 8 million-dollars that has been proposed. People will figure it out but it will take some time. So despite the rhetoric about shovel ready, shovel ready means this year, maybe, I mean the world doesn't move that fast and so the message really is stimulus done in the spring of 2009 begins to have a really significant effect in 2010 because the other thing we've learned is that tax cuts in this environment right now, mostly enable people to pay down debt as opposed to go out and buy plasma tvs, we learned that last time we tried to stimulate the economy, so what is that worth and what comes next over the I talked a little bit about the psychological effect on the stimulus. The markets have reacted relatively favorable to the banging plan that has been in fact, there is something relatively important as part of that, that may not have caught, you know, reason to the top of the media reports and it is a big deal and it is a suspension of what is

called mark to market rules, and what mark to market requires -- historically required under mark to market rules is a financial institution had to constantly assess the market value of properties in its portfolio and value those in the portfolio at what they would bring in the current market. Well that means if you have a given piece of property, let's valued at a hundred thousand dollars and there is to no market for it and you don't know what to value it at and somebody says you have to value it at the point to get sold that, could be \$50,000 that is marked to liquidation and that will blow up the bank's capital ratios and what happened, it taken some time but the regulators came to the point of view that what is better in the median turn is to give banks and borrowers more time to restructuring individual deals as opposed to forcing them through accounting procedure to value the assets of what they might be worth today and in the process blow up a bunch of stuff, that is a super simplified version of this but the bottom line is it gives banks space to work things out with borrowers and in the process means asset values probably won't decline as precipitously as otherwise might have which have could have huge implications such as the city of austin as you were talking about property tax revenues, so key point, interest rates are never going to be lower than they are today. I honestly didn't think it was possible to drive interest rates this low, it is sobering to realize that apparently we are the one eyed person in the kingdom of the blind and I would think rates this low would have prompted folks in other parts of the world not to buy our government debt but we remain the safe harbor, we remain the flight to quality stability even in state of the fact we are having problems as the nation because the whole rest of the world is having problems as well, so that is positive but what you are really finding is that price isn't the problem on lending, what is the problem on lending is one, credit worthiness, and, two is there demand. People aren't borrowing money because people are saying, particularly on the business side, there is no deplaned for new products and services, there is no demand for expansion of my business, so, yes, I might qualify for a loan, but I don't really want to. I don't wanting to borrow money. That has to change before the situation will improve significantly. I was fortunate to sit on if board of directors of a bank and my institution said we don't want anymore deposits because we have all of the capital we need. We need more customers and in particular customers who we feel comfortable have a good business plan, who are credit worthy, who are all of that, so where we sit right now is basically waiting for demand to pick up a little bit which will stimulate a lot of these other things as they go forward. Related to that, consumer confidence has to improve. I said, you know, basically from the time that layman brothers went down on december 16th until christmastime, the entire country didn't do anything but buy gas and groceries and that is about it and until now we have seen a significant pull back on people -- consumer spending, plenty of people have the capacity to be out spending money but you guys are having the same conversations I am having everywhere saying do i really need another one of fill in the blank, I have all of the stuff I need. Do I really need any more stuff. We're going to cut back. And that creates self-fulfilling prophecy, when people cut back, in fact, activity slows down, sales tax revenue slows way down and people are like, see, I told you sales tax revenues is way down and that is partly because you didn't go out and buy a plasma tv, not harping on plasma tvs, I used to use toaster ovens and I thought I would bring at this time the early part of the 21st century, maybe I should say a game console or a car, a car would be good and we think the gdp will fall somewhere two and three point this is year, and we think you will get positive growth in 2010 for three significant reasons -- I touched on, you will see the effects of actual government spending associated with the stimulus show up more next year, two, you are going to be measuring against a very depressed base in 2009 so if you start here, go to here and

bounce up to here, that is growth in that period and three, we will be tired of being sick and tired. As a nation we will be comfortable with the environment we find ourselves in now and say do you know what, I get it, okay, yes, it is a different world, gee, I miss the case of 2006 and 2007, but life has got to go on, I will pick myself back up and do some things and all of that, we think will contribute some positive approach to 2010. You are in austin. It feels bad in austin and it is particularly bad for the city of austin right now and yet in terms of the austin economy, i believe last month we were the only metro area of the top 50 metro areas in the country to show positive job growth. Doesn't everybody feel comfortable having said that. Having said that, we are obviously being heavily influenced by what is going on nationwide, you know, no question that consumer activity way down, its shows up in tax numbers and a lot of things we are doing. Actually our real estate sector, in comparison to other places, particularly residential sector is in better shape for sure. We have not seen the significant drop in prices in the austin area you would have expected partly because our prices weren't inflated to begin with, I know that is not the people looking for housing, particular lithowho remember the old days for price of 10, but you could buy a nice place in the central city, you can remember that if you've lived here, but our market is better balanced and we continue to have population and job growth and so relatively speaking we are more or less flat right now as a community. Now, there are specific things that are depressing sales tax revenue and we will talk about that we go forward. In terms of the overall economy, austin is the one eyed person in the kingdom of the national blind. is in terms of the world economy overall. This is the chart -- we just threw in once in a while we will show you long history charts. This is employment growth, we measure this month compared to last month so enough to screw around with seasonal adjustment and austin blue line, texas red as a whole green line, we are definitely influenced by what happens there in the world but we consistently perform above the line. I talked to you guys for years about 3 is the magic number, it is for austin and it is for austin job growth, we could sustain 3%, we can't sustain 6%, so you see the bubble in austin right there. You see that little lump up hump towardsthe end of the chart, that was the bubble but something in 3 to 4% we can likely sustain and this is again a contextual slide to show you how it compares to the state in the nation and then talked a little bit of last year about travel and tourism and it has held up pretty well. This is hotel occupancy on an annual basis on the city of austin, not austin metro area but the city through 2008, you see it skips just a hair from 2007 to 2008, although it is way up above than it was in the last bust, but, at the same time, we have added -- we have increased our room capacity about 15%, and so this is hotel revenue in the city of austin and you can see it's been very, very strong. We are, right now, we continue to be one of the best tourism buys in the world and you see that reflected in these numbers. Technology and venture capital, lump a couple together here, high-tech employment is interesting. Again, we have -- we spent a fair amount of time tracking high-tech employment -- you can see the boom there in 2000, we had 85,000 tech workers in change and it has been relatively flat for the last five years. Those are all in thousands. It has been interesting as we've restructure the economy and done that in the wake of losing 20 to 25,000 tech workers, how many of that 85,000 were at com, some, burning the bc money as opposed to burning product or service anybody needed but a significant source of the loss are real jobs where companies have shut down or contracted or moved on and we have still done pretty well and one thing is we are restructuring it in terms of breaking down our technology base, moving away from physical products which is orange line, more to technology related services. I have cheated on this one just a little bit, I admit it. I love software end of services, that is a judgment call, you could say it is a product if

you wanted to, although it is not a significant piece, but look at the change there and it speaks to who we are becoming as a nation discuss not as a nation -- as a community and where we are going to go in the future. If you make physical products you are subject to being shipped somewhere else.

Standardized processes can be done almost anywhere. If you innovate f you create, if you create -- in particular create value through the application of knowledge or talent, you are not so likely to be offshore because that is mostly about putting the smart, capable people in an environment where they want to live and work and you see that restructuring, I think, articulated pretty well in that chart, the breakdown and that is essentially where we will go as a community venture capital, if I just ran a chart from 2002 to 2008 it wouldn't look so bad, but unfortunately you have the say knowledgely that was 99 to 2000 and really to 2001 and you see were down a little bit in 2008 and the news came came out in the first quarter, austin had 21 million-dollars in venture capital, that is dead in the water right now because the the water and too bad because venture capital creates companies, products, services that drive the economy three to five years down the road so this is an area that I think we as a community should pay attention to and think hard of it, how can we stimulate this up a little bit and how can we find a way to find more bc pumped in the area as an investment and medium longer term performance of our regional economy and as a percentage -- I guess we took it out -- we have fallen down 25% of texas as a whol, whereas in the past, it was 50%. February home sales, we picked one year, it is the most recent data we v you see the boom there, 2005, 6, 7, and 8 and dropped down to levels of 2004 range and all considered that is not so bad and the word on the street is home sales activity is stronger than people would expect, the sense out there is not by any stretch of the imagination that it is a seller's market but it is less of a buyer's market than people might otherwise anticipate. And, again, part of that is as a result of that, the median home price, not the average home price t median home price has held up fairly well. Again, in february you see what it is. It is -- this number is likely to fall. It will fall, I would suggest, probably back into the 2006 to 2007 range and when that happens, you will really see a fair amount of buying activity because people will perceive it is a good time to get in the market. It is a good opportunity to buy. Now, what may make what I just said not true is if interest rates continue to be as low as they are, because at the end of the day, nobody care what is the price, per se is, although they kind of do psychologically, what they care is how much do I put down and how much is my total monthly payment and obviously lower interest rates facilitate paying slightly higher price and still actually making the same payment every month so all in all, not too bad. And this is one we pay attention to. This is stuff that a&m puts together, months of housing inventory across the msa, six months of what the line is demarcation between a buyer's market and seller's market, it is a seller's m months, a buyer's market up above six months and you see we are right at the six month line and it will go higher over the course of 2009, although not as high as perhaps people might anticipate and so we will shift from what I would say pretty choice to balance market to more of buyer's market, this is obviously a summary statistic, any individual neighborhood, any individual price range, vary up considerably, but overall, across the region, I don't think there is any other community, certainly in -- really, I think across the crown trithat is probably as ball -- countries that as balance as we are in stage of the game and here is a chart that charles gave me. I traded him forecast with data, with a player to be named later and charles is telling people right now that we could easily have a lot shortage in austin in 18 to 24 months because builders recognize the slowdown relatively early on and you see there in the last couple of years we've had fewer starts than we've had closings. Now, this isn't a problem in 2009. By the end of 2010, 2011, it

could be a problem and it could change the dynamic a little bit because you aren't seeing new lots elsewhere in the metro area being brought into the market, and the same thing to some degree -- not really, it is some degree true for the apartment market. We had a number of years where no apartments were built and then a giant number in 2008 that were built and it will take us a couple of years to work that off. Although we do think you will see more demand for pacts than in the recent past because frankly you have credit concerns. A lot of folks who in the past might have qualified to buy a home, even if the interest is low may not be credit worthy and they will have to find themselves in rental housing, so, again, you see there are a lot of product added last year, it will take a couple of years to work that off. In the office market side there we are overbuilt for a while. It is interesting literally for a couple of years we added no square footage and enormous amount in 2008 and it will take several years to work that off. We were probably a couple million square feet overbuilt on the office side. On the retail side we are slightly overbuilt, although this one is a little bit balanced and some of the others, but again, some of this is the phenomenon we have been watching for some time, you see some new retail capacity obviously added outside central austin, outside austin jurisdiction as retail follows the rooftops that gone into the suburbs and began to catch up there, so our forecast is again, cut cut to the chase, relatively good shape, we think 2009 employment will be down 1% and will bounce back a little bit in 2010, we have been saying to people all year and i continue to think this is true, this pattern is cover rabble to 2002 and 2003 that we saw, all sectors of the local economy will contract this year, personal income will fall sharply this year. In addition to the problems associated with the labor market you also have, of course, the financial markets and general and the equity markets in particular, everybody's portfolio has taken a giant beating and a lot of people rely on that as their income so that has taken a beating as well our population growth is stagnant. Again we continue to be extremely desirable location but one of the things we see happening is the movement of people to austin is really -- it reflect who is we are as a community. If you are a blue collar worker, you aren't looking at austin -- you aren't looking at austin as a place to relocate, other texas cities if you are coming from other parts of the country. Austin attracts people who are relatively well educated so that is good for sure in the medium and longer term, that is good but right now a lot of people are stuck in housing situations we can't get out of so we think which will see a little bit of slowdown in terms of migration from places like california that had driven a lot of our population growth the last three or four years, texas sans always want to go back to texas f you went to ut, they want to come back to austin, but I do think that population will be pretty slow. Pictures, again, that is population growth, the city of austin, full purpose up half a point from 2009, personal income 6%, compare that to 2002, that is very negative again, for some of the discussed. Total employment growth, again, that is comparable to 2002, comparable loss in jobs, the numbers, in case a little eyestrain will be desirable and then the sales tax forecast, what does it translate to specifically for the city of austin? One of the things I asked the controller's office to do for me is to run me information broken-down by sector on taxable retail sales in the city of austin, and so what I have charted here is growth in that -- in those sectors, i lumped them into two overall buckets, retail trade, which is about 50% of the taxable sales we have, and then everything else, and what is interesting to me is the blue line is retail trade, you see that it actually peaked in terms of growth rate all the way back in early 2006. We only have data through the third quarter which is the end of september and it was already negative by the third quarter of 2008, even before the national problems exploded on us. So, what was actually holding up the city of austin's sales tax revenue last year was all of the and when the national economy exploded, consumer

confidence went sideways, my guess would be the blue line got much more negative in a much bigger hurry and the orange line began to get relatively negative quickly as well, what this tells me is there is something of a shift out there in consumer willingness to spend money that supersedes their capacity to spend money. People have money, but right now they are not willing to spend it and obviously translates into problems associated with sales tax revenue for the city of austin. So one of the things we do -- you want to see real eyestrain, this will give it to you solid -- what can we correlate sales tax revenue to, and this is, again, looking at growth in jobs versus sales tax revenue. It is super volatile when you look at it on this basis, the scale on the right is job growth. The scale on the left is sales tax revenue growth, rather than kill yourselves with that, look at it here on annual basis, and so what you see here is that historically, they they move in close tandem, particularly in downturns which isn't surprised but interesting from numbers point of view to see that but we were beginning to see a gap in 2008 even and I think it reflects again what I talked about, people's willingness to spend money and so when you take this and put it together, historically you say take the job growth rate and multiply it by about 3 and that will be your change in sales tax rate for the I think, given all of the things that we have been talking about, I actually think that relationship doesn't really apply. There are a couple of different reasons why, right there. One, we did have a surge in construction, obviously in '05 through '07 and we do tax building materials in the state of texas and the last thing is interesting, once of the responses to the downturn is a number of technology companies have said rather than cut people from employment roles we will ask people to work four days a week and take pay cuts. We are going to shift around rather than cutting head count per day, we will reduce people's hours and activity by extension of their income if you are working at xyz technology and they cut your income 15%, you aren't spending nothing discretionary, buying gas and groceries but you haven't lost your job, so you aren't showing up in the employment statistics as having been either lost your job or what have you, so what i would say is that right now, i think an appropriate thing to do in terms of looking at 2009 is saying it is really more like five times the rate of job decline and it translates to sales tax revenue for 2009 -- fiscal 2009, city of austin being down about 10% and the chart looks like that. That's all I have got.

Questions?

Questions for john hockenyos

on the venture capital slides you are looking at dollar amounts but I am curious of number of funds and players in town if you can look at that --

I will be happy to make available on that and price waterhouse and coopers tracks all of that and I think it is up on their website, pricewater.com, if not, let me know and travis in my office may have figured out a way to get data that people can't get, but that is definitely available. We can give you the breakdown

okay.

I have a question. You had said that it was likely that median home prices would fall, and you haven't said anything about appraised value. And I didn't want us to just get into the discussion only about sales

tax revenue because property tax revenue is also very important.

Absolutely. One of the things that -- that, as I understand it that most appraisal districts try to do is try to lag the market a little bit so that in a booming market, your appraised value is less than the actual market value of your house, some of that of course is if you've lived in it a while, I think it is a 10% cap, you can only raise it 10% a year but even above and beyond that they try to be slower in letting the values raise up so that when you get downturns, you don't get a sharp decline -- as sharp a decline in appraised values that you otherwise would if you let it go all the way up and all the way down, they try to smooth it down a little bit, I haven't talked specifically to the travis county appraisal district but my sense is that you may see a slight drop in the overall appraised value in travis county but it will probably be pretty close to even and I think that reflects part of it. You know, the guy goes in and says the value of my house wasn't it was a year ago but the appraisal district says it is still 5% what we got it appraised at. On the residential side that is that. On the commercial and nonresidential side you will see people aggressively protesting their values. What I don't know at this stage of the game is how successful they will be in part because that is a negotiation between the appraisal district and the individual property owner, so i would refer to that -- you talked specifically --

we are going to be talking about that later in the forecast, we will cover our discussions with the travis county chief appraiser

good. I just didn't want to leave that out

other questions of john?

A quick question.

Yes.

In terms of the income drop that you are saying you see, you mentioned that some people rely on portfolios. A lot of people don't

that's right

and you just started talking about some of the other reasons that we might be seeing that -- because folks are cutting back and not laying people off. I wonder if you can expound upon that and how we will experience that, the drops?

Well, I think there is sort of three -- I would say there is three or four different ways to see your income drop. Let's say you have a job, wage and salary income, we have lots of jobs for sure, if we haven't -- certainly nobody is getting -- very few people are getting raises, so people are saying all right, I will make due with what I have got, but some people have lost their job and they are struggling obviously to replace it. That is one way. The second thing is what we talked about, which is I still have my job but everybody got a pay cut and I still have to meet my obligations and of course i set my life up based on

the income I had before and that's -- we all do that. It is a great -- to a greater or less extent -- the third area as I mentioned, is some people have nonpayroll sources of income, whether it is a market, or a rent house that you own, that are having a hard time putting people in, had to cut the price on the rent house, that is on the mix and the last thing is in a general economic downturn, Austin is a community full of proprietors, I don't know if I ever been in a town with such a wide and diverse diversity of businesses and as the local economy suffers, the sales are down and as their sales are down, income is down, so all of these factors have touched an individual family, and the way I accessed it is the economic situation is challenging right now objectively that almost every family will be influenced by it in some, way, shape or form and then you layer on that the psychological concerns people have over and above what the objective reality is of the situation and it makes that situation that much worse

and then one other question, in terms of the hotel occupancy and tourism, that looking like it continues to be relative right spot

pretty good

could you talk a little bit about what impact that has on -- on the city of Austin's economic health? I mean clearly we get our bed tax -- some of the bed tax coming but I am sure it counts for some of the sales tax and other things, I wonder if you can round out that picture

we think about this a lot, particularly when we work in other communities, we say one of the goals of the community is to decline sort of your community in general, particularly the central part of the community so it is equally appealing to locals and so what you are seeing in restaurants or boutiques is tourism spending can help offset a little bit some of the decline associated with people locally not spending money so that is obviously a positive thing. It helps keep people employed. It also helps keep up the amenities that people who live here, part of the reason why they live here, which again, is sort of the small business environment, the cultural amenities and everything else that is significantly funded in tourist dollars so if I had to pick one thing that influences in the short run, sort of the health of tourism sector, it could very well be bed tax, it is a really important part of this -- I didn't give you coherent answer, it is really helpful is the short version

is there any measure that tells us tourism is x percent of our economy? It could be relatively soon if I go off and turn my computer on

okay.

We -- obviously what you would do is take number of room nights and get data that tells you've riff dollar of room nights x amount of additional spending occurs and I think any number you come up with would understate it because again how do you measure the value of helping a restaurant that everybody loves stay open because, you know, you are getting some demand from tourists and that helps them get through the tough times until the local economy recovers again and they are back to where they used to be

right and I suppose -- yes, I can understand that.

>. [Change of captioners, one moment, please.] we'll be touching on the enterprise funds and you will hear more from them in August and we'll recap with next steps. So on to the current year update. First just to fill you in on current year strategies and objectives that we have in the forefront of our mind as we're trying to live within our means this year based on our revised revenue stream and we'll get to the numbers on the next slide. Our goal this year when we put together our -- when we really started to see sales tax drop our city manager tasked us to put together a midyear reduction plan so we could keep our spending within our estimated revenues. Our goal was to minimize further disruptions to our basic services and of course to avoid any reduction in our workforce. What we've done -- this is on the third bullet -- is really focus on holding our vacant positions open to the extent that we can. Of course, we have filled some of those to extent that they're very critical, but we've put in place a very rigorous hiring review process. And currently we have about 358 non-civil service positions being held vacant in the general fund and the support services fund departments. Our goal is to create savings in the current year, and that will position us as well for continuing to possibly hold those open next year as we try to close the gap that Ed Vavino will be going over with you here in a minute. We are severely limiting our travel and training experiences and we're also planning to reduce our transfers, our general fund transfers to the support services funds this year to capture some additional savings that we didn't anticipate in the midyear reduction plan. And you will see the numbers on this slide. This slide is designed to show you where we were earlier this winter when we put together the midyear reduction plan. And this is actually a variance slide. It shows you the difference between the budget and what our latest estimates are, so the March column on the far right is where we expect to be by the end of the year. We are revising our sales tax estimates to reflect 10 percent down compared to the prior year. John just talked about that in great depth. And we're reflecting that consistent with his outlook. We think that is a very reasonable approach. Our development revenue is still tracking compared to what we had estimated earlier this winter, but we're working with the one-stop shop staff to monitor that closely on a month-to-month basis and we'll advise you of anything -- if anything changes there. Interest earnings, we've dropped that somewhat by about another million dollars just to be conservative. Last year we earned about four percent overall citywide, and our general fund share was a little bit over \$8 million. This year we're definitely seeing lower interest rates and we just want to be careful in that category. We expect that to continue for the remainder of the year. Then we've seen some one-time additional revenues, really several different items that we have seen on a positive basis so far that have added a little bit to help mitigate that revenue shortfall, but right now we're estimating 26 million. We've got our midyear reduction plan in place. The budget office is monitoring that. We feel like we're pretty much on target with that. We have seen some additional vacancy savings as I mentioned, so that's helping us manage to the bottom line. We got some additional reimbursements that we didn't anticipate related to the hurricane Ike relief effort. Normally -- the last time we had a major event like this with Katrina, we contracted with FEMA directly and were only able to recover our overtime. This year we were actually a subcontractor with the state and we've been able to recover some of our regular time as well, so that's helped us. And then as I mentioned on the previous slide, we'll be reducing our transfers to our support services and -- including our information technology funds. With that Ed is going to walk us through the five-year forecast for the general fund and then we'll cover the enterprise fund shortly after that. I

wanted to share a few observations with you up front, and I think the city manager really covered a lot of these in pretty great depth in his opening remarks. The economic downturn has resulted in significant declines in general fund revenue this year, and that will have an effect going forward into next year as well. Of course, it primarily in the sales tax category, so we are projecting at this point in time about a 30-million-dollar budget gap for 2010. And likely part of closing that gap next year will be continuing to hold open all of these vacant positions that we're currently holding. So we will see a continuation of service impacts. And when we come back to you in June and July we'll be able to articulate those in more detail. Also as the city manager talked about a combination of really ongoing cost reductions and probably revenue enhancements will be needed in the future to start permanently closing that gap so that we can see a lower deficit occurring possibly when we come back to you next year to do our five-year forecast then. Having said that, our long-term growth in revenue is more closely aligning with our growth in expenditures. As Ed will be talking to you about. And of course that's assuming that economic recovery would start to occur sometime in, say, 2011 or definitely into 2012. So with that, I'll turn it over to Ed. And I just want to say he has done a great job getting up to speed on such short time here. And take it away.

Thank you, Leslie and good morning, Mayor and members of the Council. I really need to put a lot of credit for me getting up to speed too. I've been blessed to understand two and a half months here to realize that I have just an extremely competent staff to work on all this for you and all these numbers in here. And they are absolutely invaluable in getting this information together. So the credit really belongs to them more so than myself, but thank you, Leslie. We're breaking this portion of the presentation up into three sections. First we want to talk about revenues. Second I'm going to talk about expenditures and then we have a section where we bring the two together. At the end of each of those sections we have a break planned to allow for Council members to comment and questions. Starting off with revenues, just as John highlighted what we're really dealing with in the city is a revenue problem. That's what's driving our budget difficulties. You've seen this slide before. We like to show it to you. It shows where the city's general fund receives its revenues from primarily, property tax of course is the largest portion at 35%. Sales tax is the second largest portion the 23% of total general fund revenues. Utility transfers at about 20%. And then this other category, which was franchisees, fines and penalties, development revenues, things of that nature, programmatic revenues are about 21% of the budget. We've seen this slide before. We've put it in the budget every year. If you were to look at this slide over time it largely looks the same, but there have been some notable changes. The property tax piece and portion of the pie has been growing over the last five years with the economic downturn, the sales tax portion has been shrinking, as have been the programmatic revenues. The programmatic revenues have not been keeping pace with the growth in programmatic expenditures so the other category has also been shrinking and the utility transfers have remained pretty constant over time at about 20% of revenues. Property taxes, again the largest source of general fund revenues. Historically it's been a very stable source of revenue with annual growth of 9% and 14 and a half% dating back to fiscal year 2000 with an average over that time period, an average annual rate of 7.7%. The growth in this sort of revenues is largely being driven by new construction, annexations resulting in increased assessed valuations. Going back even further over the last 15 years, the city's only seen one decline in the last 15 years in assessed valuations. The stability in this revenue source of course being driven largely by the fact that

property tax rate adjusts as the assessed values adjust and historically what we've seen is a decline, a drop in property tax rates as their assessed values have been increasing. Looking ahead, John went into quite a bit of detail on all these items, but some of the key economic factors looking ahead that will affect the revenue source, reduced volume of new residential and office construction, slower home sales, a growing home inventory and a potential softening of home prices. We say here on this slide that for fiscal year 2010 and 2011 we're projecting a second decline both of those years in assessed valuation. This was from preliminary conversations we had with the chief appraiser about six weeks ago. We got some additional information this morning from the appraiser and we're going to be having some follow-up meetings with the appraiser. It looks like those numbers will be changing for the better and we can get into some of that in more detail later in the presentation. In terms of our overall property tax rate, the left-hand portion of this slide is showing how the total property tax rate paid by our resident is divided amongst the various taxing jurisdictions. The bulk of the property tax rate is comprised of school district, the city and county each get about 18 percent of the total, and then the hospital and community college districts get the smallest portions after three percent and four percent respectively. Over on the right-hand side of the graph what we do is we take a typical home, median home in the Austin area, and apply those rates to that home and taking into account the various exemptions that are involved. And you can see the stories are about the same. The percentages are a little bit different when you take into account the exemptions, but still the school district gets the lion's share of the property tax bill. The city gets the second largest portion at 20%, followed by the county and again the hospital and community college districts get a relatively small portion. One thing that's interesting to do is to see how Austin's property tax rates compares to the other five -- four major Texas cities. In the past we've done this just by looking at the property tax rates, but in doing so that doesn't really take into account the significant differences in the median home values in these different areas. So what we try to do in this slide is to take into account not only the differences in the property tax rates, but also the differences in median home prices. And what it shows you is a typical tax bill for a typical home in these areas and demonstrates that despite the fact that Austin has the highest median home prices of any of these areas, the taxpayer actually has the lowest tax bill of any of the five major Texas cities. Looking at development activity, this is a key economic indicator for the city. You can see on the slide that residential permit growth has declined significantly for 10 consecutive months now. This is showing month over month changes. So the March number, for example, is a percentage change from March 2008 to March 2009. Again, we've had 10 consecutive monthly decline in residential permit growth. I would like to highlight here that this is only single-family residential permits. It's not an indicator of all the permit activity in the city. And for that reason it's not a particularly good measure of work load, but it is a key economic indicator for the city because it's a driver and one of the key drivers in the amount of development revenue generated through the processing of these permits. It also impacts our assessed valuation growth numbers and to somewhat of a lesser extent it also impacts sales tax revenues as development activity does generate sales tax revenues. Moving on to sales tax, the single largest source of city revenue, much more volatile than property taxes. Going back to 2000 you would see year over year changes 6% to as high as 14%. Taking an average over the foreign period we've seen 5% growth in sales tax revenues annually. They are down significantly from the prior year, largely being driven by local job losses. You've read about a lot of these in the newspapers. We've had seven consecutive months of declining sales tax revenues. With year to date drop of about 10%. And we're

projecting a shortfall in 2009 of \$21.8 million. Looking ahead, the national recession has definitely arrived in Texas. We're seeing a rising unemployment rate and really a lot different than the last time we had an economic downturn. As you've seen a significant, much more significant drop in consumer wealth and confidence both of which John hit on a little bit in his presentation. For these reasons we're predicting a further decline in sales tax revenues for fiscal year 2010. This next slide really I think is one of the most telling slides in regards to the economic troubles the city is experiencing and how it translates into the impact on our sales tax revenues. You can look at this slide and see the significant increase in the unemployment rate since April of 2008. In April of 2008, we were on 3.3% unemployment. That's a very low number. It was starting to look like maybe the national recession was going to pass Texas by. That clearly isn't the case. Since that time we've seen nearly a doubling of the rate. John mentioned a six-month inventory as kind of being a barometer of bad news. The six-month unemployment rate is also somewhat of a barometer of bad news. The last time we got above that six percent unemployment rate was in the downturn of 2002 and 2003. One of the key differences from what we're seeing now versus what we saw then is this dramatic decline in consumer wealth and also the dramatic decline in consumer confidence. This is the same data John put up from the conference board, but he only showed the down portion, that significant down slide part on his slide. This takes it back to 2000 and you can see what you're really seeing is an historic low in consumer confidence. Back during the downturn that occurred in 2002 and 2003, you can see where there was a down swing in consumer confidence, but nothing like what you're seeing today. And I think that's why what you're seeing in terms of sales tax revenues a much more precipitous drop, a 10% drop in sales tax revenue compared to what we saw back in 2002, 2003. If you look at 2002 and 2003 couple actively, -- cumulatively, we saw about a 8% correction in the sales tax during the two years combined, from where it has been to by the time 2003 was over those added up to 2.3%. We're projecting 10% this year and a further reduction next year. It certainly seems that this downturn is much more significant. Consumer confidence reason, the drop in consumer wealth is much more significant than we saw in 2002, 2003. Federal reserve board out of Dallas is projecting a continuation of this reinvestigation through March of 2010. They're projecting further job losses in the area through March of 2010 with unemployment potentially reaching eight percent by the end of the calendar year. So we're going to be watching all those numbers very closely because they are definitely driving factors in what's going to happen with our sales tax dollars. The assumptions we've built into this revenue that are really key to the results, you can see in fiscal year 2010, as I mentioned previously we're projecting 2% decline in assessed valuation. Again, that was based upon early conversations with the chief appraiser. We anticipate getting additional information today that we think is going to be good news, hopefully it's not going to be negative, 3.2%, it will be better. These numbers are going to continue to change as we move forward to finalizing the tax roll and of course we'll share that information with council as it becomes available. A somewhat further reduction in 2011 followed by a turnaround starting in 2012, slight growth in 2012 and 2013 and 2014 in assessed valuations. Looking at development revenue, we've talked about three million dollars reduction occurring this year from what we had initially projected. We're projecting a further one-million-dollar reduction in fiscal year 2010 before it flattens out in 2011, followed by a rebound of seven percent beginning in fiscal year 2012. In terms of the sales tax projections, we've talked quite a bit about the 10% we're projecting down to end this year. That will then roll into next year with an additional five percent reduction projected next year, followed by a three percent rebound in 2011. And

then the five percent that we have put in for the out years is consistent with the historical growth we've seen, even during the period of -- even including the period of 2002, 2003 where we had the downturns. Over the last eight years 3% annual growth, so we expect that when this recession passes and things return to normal, we'll see that five percent so that's what we've included in the out years of the forecast. I do need to highlight here that the projections, the forecast is highly sensitive to these numbers. A one percent variance in these sales tax numbers equates to about \$1.4 million. And utility transfers are in the forecast in all five years at their current rates 1% for the electric 2% for the water utility. There's three different property tax definitions. Of course the nominal rate is tax rate that doesn't change from the prior year. The effective tax rate is the tax rate that generates the same amount of property tax on existing properties as the prior year's in that scenario. Any additional revenues being realized from new properties or annexations. In a normal year when property values increase, this tax rate will be lower than the current tax rate. But if what we're forecasting holds true and we see a decline in assessed valuations, this effective tax rate would actually be higher than what we have in the current year. One thing about the effective tax rate is that it does not allow -- give them it holds revenues on existing properties at existing -- at the existing levels, it does not allow cities to cover the growth and basic expenditures, inflationary reasons and cost increases. The rollback rate takes the total property tax rate, increases the operations and maintenance portion by eight percent and then adds that to the debt portion to come up with the rollback rate. What we're showing in this slide is what the revenue forecast looks like if we were to continue at the rollback rate for fiscal year years 2010 through 2014. It also adds the revenue growth, the total revenue growth that we've seen over the last four years. You can see from 2005 to 2008 we experienced pretty strong revenue growth largely fueled by increasing sales tax revenues, average annual growth during that 7%, the economic downturn happened and you can see in fiscal year 2009 and 10 what we're projecting 2% growth before things rebound and then we see something more along the lines of 6.5% annual growth. Again these growth rates at the future are at the roll back rate. They would be lower at the effective or nominal rates. I think we skipped one. It's not up there? Well, summarizing, I'm not sure what happened to one of our slides, but summarizing the revenues, we're looking 4 million in fiscal year 2010 at the effective rate that would only be 9 million, roughly \$14 million less. At the nominal rate we would be projecting \$578 million of revenue for fiscal year 2010. Even at the roll back rate, revenue growth is projected to slow significantly from 2% during this downturn through 2010. And then rebounding to six and a half percent annually beginning in 2011. And again I would highlight that the projection is very sensitive to the sales tax numbers with the one percent change in sales tax equating to approximately \$1.4 million. We would like to take a pause there and see if there are any comments or questions in regard to the revenues.

Mayor Wynn: Council, I have a couple. On the rollback rate, the state law of eight percent increase in the O and M -- O and M is just a piece of our overall tax rate. What's the net math? At eight percent potential increase in O and M, what does that equate to as an overall increase?

If term of the dollars that it would bring?

Mayor Wynn: In terms of percentage? So if we go to roll back rate, our tax rate goes from 42 to 40 something.

Yes. The rollback, the rate currently is at roll back. It's .4012. In fiscal year 10 at roll back we project it would go to .4479.

Mayor Wynn: That's the total combined --

that's the total combined.

Mayor Wynn: Okay. Thank you.

For example, of the 40-cent tax rate that we currently have in place, about 27 cents of that goes to the general fund. The rest of it is the debt service piece.

Mayor Wynn: 27 O and m?

Right.

Mayor Wynn: And then I guess my final question or just comment, we have the chart that shows development activity or permits growth on residential. I think it would be helpful for community to see the same chart on the commercial side and help the community understand the -- sort of the net math of commercial and residential because some of us recognize that commercial assessed value is far more mercurial than is residential assessed value. That is, when you have job growth, empty office space fills up, so office building valuation can go up 25% in a year, whereas that's generally not likely on the residential side. Yet, state law doesn't -- state constitution doesn't allow us to have different tax rates for different property types within a city, so everything is sort of co-mingled. So it's just one big number of assessed value, yet within that you have these two very different components of residential and nonresidential. And so I think it's just a helpful exercise for everybody in the community to see that -- because it's the double whammy of -- in a downturn of when you have no job growth or even negative job growth, then you see your commercial assessed value plummet, at least in comparison to residential, and yet we have to co-mingle that net math and so what that really does is shifts the tax burden disproportionately back over to the residential side. So a homeowner pays a higher percentage of that net tax revenue into the general fund than when you have positive job growth. Soing it will just be a helpful exercise for us, but also the community to see that because there's not a lot of folks -- folks don't spend a lot of time understand tbli bli understanding their tax bill and very few people know the percentage of your tax bill that goes to city, county or school system. And even fewer people probably sits down and thinks through that net math of commercial versus residential component in that. So I just think showing residential permit growth, but not showing commercial side by side is -- isn't particularly a valuable analysis.

We can expand that and we have our normal budget question process, and we post all of that on web. So we'll get that additional information out to you and then we'll post it there for the public as well.

Mayor Wynn: Thanks. Councilmember Ieffingwell.

Leffingwell: This will 12, correct? That's the rate this year?

Current rate.

Leffingwell: And you said that this forecast is 79 for next year, which would be the rollback rate?

That's correct.

Leffingwell: So what would be the effective rate for next year? .4295.

Leffingwell: 4295. Even though it's higher than the normal national rate for this year, would not be a tax increase?

Correct.

Leffingwell: Okay.

That rate is based upon our previous discussions with eight appraiser that assessed valuations would be declining.

So that rate will continue to adjust as we go forward. We'll give you our latest estimate before we actually get the certified tax roll when we come back to you in July.

Leffingwell: So just real quick, the rollback rate would also fluctuate the same as the effective?

Yes, it would.

Mayor Wynn: Further questions before we continue on?

Morrison: One question. I think this may be more for the city manager. houkenoyos was talking about some years of inflation in the future, longer term future, not right away. So the question I have is what kind of big picture things can we do as a city to prepare for that if we know it's coming?

Well as I said, obviously that goes to our bottom line. And we have the typical tools in the tool box that we use, but they tend to get us through one fiscal year. And as I said before, we will apply some of those relative to dealing with the gap that we've already articulated for 2010. But ultimately I think that we have to think about strategies more in line with actually solving the problem. And that goes to my conversation with you about structural changes, both on the expenditure and on the revenue side. Obviously, you know, the inflationary factors that -- are factors that are always going to have to contend with to a more or less degree depending upon what's happening in the economy. That aside, though, I still think that we have a fundamental challenge in regard to the adequacy of the revenue base and so we'll have to have that -- that conversation because I think it's part and parcel with the kinds of structural strategies that we'll have to apply ultimately so that we begin to solve the problem. Short of that, you

know, we get to a subsequent fiscal year and we continue to have these ongoing, significant budget gaps to contend with.

Morrison: So will we expect to start having that conversation on the structural issue that you've raised in the near future?

We may in the course of our representation be proposing some things that amount to the application of structural solutions.

Morrison: Great. Thanks.

Cole: Can I ask a question? Do you -- when you talk about the inadequacy of our revenues, do you have any idea -- are you talking about on the property tax side, the sales tax side in.

We're talking about the sales tax side because it's the most volatile as our folks have already pointed out, the volatile of our revenue sources. Across the range of the revenue sources that make up our budget, they're clearly impacted by a variety of different variables, each one respectively according to what's happening in the economy.

Cole: Okay. So sales tax revenue. I recognize that the sales tax revenues are the most volatile and that y'all have been doing your forecast based on the rollback rate. Is there any point in time that you may actually talk to the appraiser and decide that -- I heard someone say that the effective tax rate may actually be higher than the rollback rate based on the appraisals. Did someone say that?

That effective tax rate is higher than the normal national rate.

Cole: Okay.

As tax rates go up, the values go down. As the tax rates go up, the values rise.

Shade: I'm just curious, last year at this time or last summer we were looking at a 3%, we were getting conservative on sales tax looking at just a three percent growth. And that was a big deal. Then we've been watching -- now we're talking about a negative 10%. Can you just translate that into actual dollars of you said the percentage -- one percent equals 1.4 million. I mean, give me the gravity in actual dollar figure between when I was sitting here in July of last year to now, because we went from three percent to 10 a two percent growth to be more conservative and now we're looking at negative 10.

Right. 8 million, the variance from what we were thought we were going to get to what we're now projecting.

Shade: If I've only been here this short time and I realize it's historic volume activity in the market and unemployment, etcetera, but I would like to see how did we predict trends two years before to see -- obviously we couldn't have predicted everything, but we weren't conservative enough although we were

told we would be very conservative. As we move forward, is negative 10 -- I'm trying to figure out is that way over extreme? Is that somewhere in the middle? I'd like to compare it to our -- compare it to our track record in comparing these things, if that's possible.

We'll handle that through a budget question as well and kind of give you a history and the rationale that went into developing the projections.

Shade: Okay. Thank you.

Mayor Wynn: So expenditures.

All right. Onward to expenditures. These first two pie charts slice the general fund budget in two ways. First looking at the total general fund and breaking it down by expenditure category. You can see the 78% of all our general fund budget, which in fiscal year 2009 the adopted budget was \$620 million. 78% Of that is to fund personnel. 12% To contractuals. Only two percent to commodities. And seven percent to transfers and expense refunds and indirect costs. When you look at it by service area, 65% of the total general fund budget is allocated to public safety services, police, fire and e.m.s. About 6.4% to public health. 10% To library and parks. And two percent to the municipal court and three and a half percent to watershed and npz. We put these slides up there because when you're in a position where we are where significant reductions will be needed to the budgets, some structural adjustments, it's important that you all know that the majority of the budget does lie in personnel and in public safety. The assumptions that we've built into the forecast on expenditures is full funding for currently authorized f.t.e.'s. We do include a vacancy savings amount in the budget of 2.2%. This is just to reflect the 2 vacancy savings is to reflect normal turnovers and not the implementation of a hiring freeze, but normal attrition, getting the positions refilled, you're always going to have some vacancies and some savings that result from that. We have that in the budget and in the forecast. We also include contractually obligated pay increases for police and , which are currently in their contracts we're at 2.75% for 2010. Three percent in 2011. And there's also an option in 2012 of three percent. And then in the forecast we include in 2013 and 2014 three percent. For fire and civilian employee pay increases, the city manager mentioned we put them in at zero percent in the forecast for 2010 and then two percent annually thereafter. There was some market studies that had been succeed and planned for civilian employees that have already been delayed. They are delayed further in this forecast beyond 2010 to 2011 and 2012. And of course all of this is dependent upon a contract negotiations with our fire employees and potentially with the civilian employees. Expenditure assumptions continued, we have only increases in insurance costs of eight to 10%, which is similar to what we've seen in past years. Supplemental funding to civilian employee retirement system. O and m costs for new and expanded facilities. And we do include them, but I would highlight here that the 2006 bond program that is adding some of these new facilities had very minimal impact and o and m costs relative to prior bond programs, but those costs have been included in the forecast. Inflationary cost increases for utility and contractual services and commodities, that's not so much an issue this year as John said, we're really not seeing much in terms of inflationary costs this year, but more so in the out years we do have inflationary cost increases included. We anticipate a reduction in fuel cost in fiscal year 2010 from what we've experienced in 2009, and relative to the budget, I should add. And it's important to highlight this. This

forecast is maybe a little different than what we've done in the past in that it does not include any funding for enhanced service levels or new programs. The costs associated with the creation of a new arts and culture department for example and music departments, they have not been finalized yet and they could potentially add to the projected budget gap. The key drivers as we compare the fiscal year 2009 budget to the fiscal year 2010 forecast, we project a 24-million-dollar increase, and you can see what's driving that increase. Again, it's not any service enhancements or appraisal improvements, it's simply status quo. 8 Million dollar's related to uniformed personnel cost increases, cost contracts, step and longevity pay being the driving factors there. Miscellaneous other departmental costs of \$3.8 million. These are things like contractual increases and miscellaneous adjustments to commodity accounts animal care services transfers in other departments of an increase related to worker's compensation, our liability reserve fund and transfers to the support services, communication and technology, and then also as I mentioned previously the supplemental pension funding. A total of \$24 million of additional costs from these cost drivers, which compared to last year's forecast we had about double that amount. We had about \$48 million of cost driver increases in last year's budget, so it really highlights the extent to which we've tried to contain costs very stringently in this forecast. There's not a lot of -- there's really for extras included in this forecast. It's very bare bones. You can see that on this next slide. Between 2005 and 2009 we experienced annual growth in our budget of about nine and a half percent. Looking forward with keeping a lid on expenditures and tightening things down given our revenue reality, we're forecasting 5-point #% growth throughout the forecast period. The status quo nature of this forecast, that it does not include any station or operational enhancements. The cost increases are really being driven by costs that are beyond our control, contract, pay for employees, inflationary costs related to fuel and outside contracts, again those being more in the out years. There are a number of costs that we can influence by policy. The employee pay for employees without contracts, health insurance plans, staffing policies, things of that nature. That concludes the expenditure portion if there's any questions.

Mayor Wynn: On the supplemental pension funding line item or issue, if I remember correctly as part of sort of the reform that we made several years ago, our supplemental funding was based on a potential lack of return by the investments of the pension fund. And I know that we have had supplemental funding at least this past year, maybe the past two years. And so -- but I thought that supplemental funding was a fixed dollar amount.

It is a fixed amount. Let me take that one. That agreement, the supplemental funding agreement, was executed in 2005 and it was predicated on -- in other words, you would not have to provide supplemental funding if you earned at least 12 percent in the pension funding. And so it was designed to increase at a percentage each year over time. Right now the employer and the employee contribution -- the employee contributions are eight percent, and back then the employer contribution was eight percent as well. So over time we have increased that to 10 percent in this current year and we're forecasting 11 percent next year. And then ultimately under the current agreement it would be capped at 12. And what we're actually doing right now is Jeff, our deputy chief financial officer, is undertaking an effort to look at based on the bad returns that we obviously saw last year, what we would need to do to help improve the long-term financial health of that fund even further. So we'll be working through a plan for that probably in the next 60 days, bringing it to the city manager for his consideration. And then

bringing it to the audit and finance committee after it's gone through that.

Mayor Wynn: So it is a one percent additional supplement.

Each yea yes.

Mayor Wynn: Mayor pro tem.

McCracken: What is the projected actual dollar amount that would be supplemental pension funding?

For every one percent on a citywide basis, and it's probably gone up a little bit. I don't have that exact dollar amount, but it's around four million dollars. In the general fund, the first year that we had to contribute, the general fund piece was about a quarter of that, at a million dollars.

McCracken: So are we anticipating for fiscal year 2010 then that we'll be spending an extra one million dollars of the general fund?

Yes, yes.

McCracken: In looking at the cost assumptions -- expenditure assumptions, I'm sorry, for next year's budget, there's a projection of a zero percent pay increase for rank and file city employees, right?

That's correct.

McCracken: In other words, there's an assumption built in of a pay freeze?

That's what's been included in the forecast for 2010.

McCracken: And then there's an assumption that unions will receive a pay increase 75%, is that correct?

That's correct.

That's correct.

McCracken: What is the dollar amount of that pay increase for the police and e.m.s. unions?

Combined it's \$5.6 million.

McCracken: If we were to seek to ask the police unions to share in the pay sacrifices that's projected on a pay freeze for other city employees, would that require, city manager, some sort of council resolution or direction to you asking us to go to the police and unions to ask them to share in the sacrifice?

It would require opening up the contracts in order to do that. MR. McDONALD, IN ORDER TO Open up

the contract, i guess my speculation would be we would want council to endorse that step.

McCracken: Chief mcdonald was not on the microphone, but he said y'all would ask for the council to endorse that we go back to the police and fire unions and ask them to share in whatever wage sacrifice the rest of the city employees were making?

That's correct.

McCracken: I think we need to do that, melf. And so we can all decide among ourselves. But at a time when we're asking all city employees to take a pay freeze, I think that we need to go to our unions and ask them to share in that pay freeze sacrifice. If we were to take an approach on the budget that we would look to do what i think john said some of our local employers have done in looking at even perhaps small incremental pay decreases across the board, I know you said that about 80% of the budget is wage and benefits, but what is -- do you have an idea of what we would achieve as an organization from -- at least on the general fund side from one percent reductions -- for each one percent reduction in wages? Across the board?

I don't have that off the cuff, but I could certainly respond to it as a budget question. I'll be happen to do that.

It looks like if we're looking at a budget gap of 30 to 40 million, we're capturing almost -- almost 20 to owe on it looks like about 15 to 20% of the gap could be made up if we simply did not give a pay raise to everybody. That would knock out 6 million of the 30 or 40-million-dollar gap. So we're making progress at that point. And if we asked everybody, including the unions, to share in a sacrifice of say like a one percent reduction on top of that, for instance, -- I think it would be helpful to see some scenarios like that. I think that should we as a council give y'all authorization to negotiate with our unions and ask them to share in the sacrifice, we also need to build in the authority that if we need to ask all city employees to say take a one percent pay cut, including mayor and council, to avoid any sort of draconian budget cuts to after school programs and parks and libraries and road maintenance, that we would want to make sure we were asking you all on the front end to have the unions share in that overall sacrifice, that everybody is being treated equally.

Well, councilmember, we certainly appreciate those suggestions and that perspective. I think as I've said before, and certainly from our standpoint in terms of developing our recommendation, you know, all things are still on the table. So as we go through our process of analyzing and developing the budget, we're going to evaluate all of those options.

McCracken: When the effective tax rate is set, if your debt side were decreased, would that -- is the effective tax rate set solely on the o and m portion of the property tax revenues?

In terms of the very -- the complex calculation of tax rates in this state, what you first do is you said your o and m tax rate at the effective and your debt service tax rate is set to ensure that you can meet the obligations from all the prior bond elections and bond obligations we have gone out to. So that's the first

thing you do is set your debt service tax rate and the effective tax rate for the o and m piece is calculated as part of that to come up with your effective tax rate. In essence the debt service tax rate then stays static more or less regardless of whether you're at the roll back effective or nominal. There's probably some variation depending on the calculations of how new construction and property values get float thru the tax generating model.

McCracken: What I'm trying to understand is if -- let's say that the debt retirement side of the property tax rate is -- say hypothetically just 10 cents to make it easy. And then as you paid off debt it might decrease to, say, nine cents. Would that -- that would not provide an extra penny of latitude in the effective tax rate on the o and m, correct?

Actually, there would be again -- the effective -- there's two pieces to it. The combination -- once the effective tax rate is set, that fixed number becomes the effective tax rate and then the variation between and o and m tax rate and a debt service tax rate. There is some fluctuation again, but the first thing you need to do is meet the obligations of any of your debt service. Certainly as we calculate our debt service obligation looking at our payments coming up as we work with our financial advisors to ensure that we have the proper revenue streams to pay off those, we then set the debt service tax rate with the remainder being the o and m tax rate.

McCracken: So just to make the math simple then. If you had just -- say you had a 30-cent tax rate and 20 cents was o and m and 10 cents was the debt side, if you paid off enough debt that you could decrease that to nine cents, would that mean that you would suddenly have a 21-cent o and m tax rate basically or would it mean that you had an effective tax rate of 29 cents?

All other things being equal, yes. All other things being equal, you would have your effective tax rate would be set at that 30 cents and your o and m tax rate would be at 21 cents. Again, part of that calculation would be understanding where property valuations, how they're chining and new property valuations how they're coming in as well. There would be some slight fluctuations in that.

McCracken: Okay. So if you were then to add -- even as we retire debt, if they were then to add to -- effect of retiring debt is actually to help us -- one effect could potentially be to help us out on the o and m side by providing us extra revenue windows on the o and m side.

Correct. But I will remind you that we are in the middle of a bond program that we are continuing to sell and@ approximately \$100 million a year in debt from last voter approved bond election in 2006. So again, that's one of the key factors as we determine ceech year's -- each year's debt service requirement.

Because as we pay off that debt, we're also enjoying an increase in capacity to issue.

As well as again looking toward forward on the future needs for other bond programs and additional debt that we need to incur again on a typical.

Is-year cycle to make sure that we're keeping up with our infrastructure improvements necessary.

McCracken: Are we assuming a static level of a debt tax rate or are we anticipating an increase in the tax rate on the debt side?

In terms of the -- in term of the debt requirement, what is built into our forecast is the continuation of selling the annual debt needed for the 2006 bond program. Again, approximately \$100 million a year. With that, depending on where your valuations are going, your debt service tax rate will fluctuate slightly. But you do see a slight decline in the debt service tax rate over time. But again, what we would then build in is in an out year in the six-year cycle would be another bond program that would potentially add a penny, two pennies, whatever the bond election called for, additional cents on to the tax rate.

McCracken: And you said a six-year cycle. And our six-year cycle would then be up in 2012?

Actually in this current bond program, what the council passed for this current bond program, in order to get up to the bond program it was actually extended to a seven-year bond program. That being said, of course i think this past year staff has been before you to talk about the need for some transportation bond issuances and that discussion obviously started back in october, so if indeed there was I guess an off term bond program, that would be an analysis that we would put together looking at any debt service tax impacts on that.

McCracken: If we were to do a bond program prior to the 1220 or 20 -- 2012 or 2013 end of the current bond program, what is our debt capacity that would lead the debt rate unchanged on the property tax side if we were to do it this next year? Again, that is as of right now. What we want to do is go back and as I think we've talked about before is running a full capacity analysis working with our financial advisors and modeling out all this new information that we have now from our appraisal district and incorporating our assumptions from the forecast into that capacity model.

McCracken: If i understand you correctly, greg, you're saying that -- at least right now if we were to do -- go to the voters for approval for a bond issuance, the bond issuance you discussed potentially in a 2010 bond issuance, if we were to say that that could have no impact on the debt side tax rate that that in our bond issuance capacity would be zero dollars?

At this point right now there is no slack capacity within our tax rate to issue additional bonds, again because we're in the process of issuing new bonds for the 2006 bond program. What we need to do is go back and take our assumptions, run them through and continue to update them and put in different models for different assumptions about what a potential off cycle bond program could be.

McCracken: But when you say no slack capacity without triggering a debt rate increase, you mean we could not issue additional debt for an accelerated bond election. We could issue no new debt without also increasing the debt rate on the tax side, is that what no slack capacity means?

Correct.

McCracken: Okay.

Mayor Wynn: Further questions on the expense side? Councilmember cole.

Cole: I know that everybody -- the pension is down, but I need to go back to a couple of pension questions. Do you know for the police and ers and fire how down their pension funds are?

There has been a preliminary actuarial report for 2008 for which is the non-civil service employees. And the funded ratio there is about 66%. I don't think police and fire have completed theirs yet. But everyone during 2008, all three of the systems had negative returns or experienced investment losses around the 25% range. That was ers's. I think police and fire were maybe slightly less than that. Police was about 23% loss and fire was about 24%. So they will probably be issuing their actuarial reports soon.

Cole: When we talk about contractually being obligated to give a million dollars from the general fund, is that just to the ers fund?

That's the supplemental agreement only applies to the ers fund.

Cole: Okay.

Councilmember shade.

Shade: When we make assumptions, I remember that several are also related to population growth issues. And so I'm just curious, i don't expect you to do it off the cuff, but I would like afterwards to get a dollar amount that is attributable to those things that are reflected by some sort of multiplier on population growth given the fact that we're looking at population growth being significantly less than it has been in prior years. So when you talk about the average annual increases 8% over the forecast period, which is lower than in past years, I would like to know how much of that in actual dollars would be attributable to those kinds of assumption equations that you make. Thanks.

Mayor Wynn: Further questions or requests? We'll continue on then. Thanks.

All right. So the final portion of this piece of presentation is combining what you just saw on the revenues with the expenditures. In fiscal year 2010, again at the roll back rate, we would be rejecting \$234 million of property tax revenues, \$381 million from all other sources, including the utility transfers and sales taxes for a total 4 million, compared to expenditures of \$645 million and I again would stress that on the expenditure side we really are putting a lid on expenditures and really trying to tie it down there. Even in that event, we're projecting a 6-million-dollar budget gap at the roll back rate and you can see at the effective and nominal rate the gap is significantly higher. On the next slide we graph that out, that trend out for the five years of the forecast period. This is somewhat of a good news, bad news slide. The bad news is obvious, is that in each year the forecast expenditures are projected to be beyond --

revenues beyond our ability to pay for that level of expenditures with the 6-million-dollar gap if 2010. The good news is that these lines aren't diverging. The budget gap is not projected to grow given our current revenue assumptions. What that implies is if we can make permanent, ongoing reductions or enhance our revenues, have some of these structural fixes we've talked about in fiscal year 2010, we can correct this problem long-term. And not have to keep coming back each fiscal year to make further adjustments. So in conclusion, I've hit on this a number of times, but it's a basic expenditure projections. No planned service enhancements are in the forecast, but what we did as part of the forecast process ask departments to identify supplemental funding requests to address unmet service needs as a result of the obvious funding constraints we're under. And these supplemental requests were not included in the forecast projections, but a report detailing what these supplemental requests from the departments will be forthcoming to council. Projected pay increases are lower than what we've seen in recent years. Actual pay increases are going to demand upon the outcomes of future contract negotiations and obviously a key determining factor in our forecast numbers on the expenditure side with 78% of the costs currently in personnel. Those assumptions for personnel costs have a big impact. Significantly slower revenue growth than we've seen in past years, even at the roll back rate, resulting in a projected shortfall of 6 million in fiscal year 2010 at the roll back rate, a little bit over \$43 million should we go to the effective rate. And nearly 67 million-dollar gap projected at the no, nominal tax rate. We have an ongoing budget shortfall in each year of between 24 and \$29 million. Again, the point there is that the gap's not projected to grow, but it is systemic. It sticks with us, it's persistent. Correcting the structural budget imbalance will require permanent cost reductions and/or revenue enhancements in fiscal year 2010. So that concludes the forecast presentation.

And we were going to end the presentation with just some highlights of the enterprise funds, unless y'all have further questions at this point.

Mayor Wynn: Questions on the forecast conclusion? Mayor pro tem.

McCracken: City manager, you had discussed structural changes to the budget that would be required to address the projected structural gaps each year. In looking at the cost drivers for this current coming year budget it appears things such as pensions and the salary, wage and benefit increases, what sort of structural changes are on the menu of possibilities both on the revenue side and the expenditure side that would actually make a difference in these structural gaps?

Well, the fact is that we're not quite there yet other than j generally speaking to the obvious things in terms of potentially the elimination of on the expenditure side, certain programs and services. It could mean a consolidation of certain kinds of things or we could simply in the course of just analyzing our business is to find different ways of doing them that simply make them more cost effective over the long-term on the expenditure side. On the revenue side, I mean, the structural options are prtty obvious, increases in fees and the various things that we have that y'all have the latitude to increase on the revenue side. So generally speaking those kinds of things.

McCracken: Are we looking at -- when you say reductions on the expenditure side, if we are 9% personnel and that's where the meat of the budget is, so if we're trying to contain the rate of growth, is

that -- are the menu of items things like -- well, what are they?

Well, again, we're in the formulation stages. It's difficult for me to answer that question just yet. We just haven't gotten that far. And I haven't seen that data. I know it's all being collected now by virtue of the departments work, and ultimately their submission of reduction options to the b office. And they'll assimilate all of that and evaluate all of that and at some point bring it to my attention. But relative to the progress we've made so far, we just haven't gotten that far. And I frankly don't want to be presumptuous or premature in trying to articulate what the department heads will offer.

Now we'll move into the surprise piece and just -- to the enterprise piece and just do the highlights for you. Starting with the airport. On airport forecast, right now they're seeing a decline in passenger traffic in 2009. They are not projecting any growth in 2010, but then they are looking to see a rebound in 2011. And they typically on a long range basis predict around three percent annual growth. They are doing that after 2010. And it's usually consistent with what they see their population growth to be in the region. Overall their total revenues projected to increase about three and a half percent per year, and that's after 2010 they are like everybody else trying to hold their spending in check, and planning for relatively flat growth in that -- in 2010. The forecast does include some cost increases associated with security and building and equipment maintenance. Those are the usual items for the airport. And then after everything is said and done, their annual contributions to their capital fund is going to proximate about \$10 million a year and they use that for their capital projects. Convention center is next. John talked a bit about hotel tax. That accounts for about 60% of the convention center's revenue budget. 2008 Collections were up very well, four percent, and with the slowdown in the local economy and really the travel that they're anticipati on a national level coming into austin, they are projecting a two percent decline in 2009 and then another two percent decline in 2008, but with everything else that we're seeing, that really feels very modest. And they are predicting a similar pattern for rental car taxes that we collect. That is used primarily to fund the town lake community center. In terms of other revenues for the convention center, they're projecting really steady, but modest increases. They have facility rental revenue, contractor revenue and as I just mentioned, the hotel tax revenue. They're trying to hold their expenses down as well in 2010, so they're anticipating some very modest increases there. They're not planning to appropriate any additional capital funding in 2010. They are continuing or planning to continue doing the improvements that they funded in 2009. That's mainly basic repairs to the facility, carpet, exhibit wall replacement. And then they're planning to add a more convenient connector between the third and fourth floors. Austin energy, they are predicting that a rate increase will be needed in the out years of the forecast period. Although their capital i will proovments program has increased over the years as we've seen over the past few forecasts. They have done a good job at managing their costs and they've been able to reduce the amount of outstanding revenue bonds through refunding efforts since about 1998. So really as a result of this primary effort, they've been able to defer a rate increase in spite of significant capital needs. They're not actually predicting what that increase would be in their five-year forecast. They just mention that as a basically a future predictor. And they have not landed on exactly what year that would need to occur in. In terms of their revenue growth, they are seeing some slowing in the forecast period. There is no growth in base electric revenue projected for next year, but really over the term of the forecast they're predicting average annual customer growth of close to two percent. This is a little bit less than I believe what they predicted in last

year's forecast. And then their major cost drivers are listed here. They are expensing increasing transmission costs and this is due to the ongoing Texas transmission grid build out. They'll be talking to you more about this when they come forward in August to talk about their budget for next year. And their capital improvements program right now is stemmed at about \$800 million, and that's over the five-year program. And it's primarily distribution and transmission projects. The water utility is also predicting some growth in new customers, but less than they were predicting last year. Their forecast does include operations and maintenance funding. They're experiencing increased chemical costs for their treatment processes and are proposing additional employees next year to address pipeline repairs. Their debt service is expected to increase over the forecast period, and this is also very similar to what we saw last year. Right now their capital improvements five-year plan is estimated at about 4 billion and you can see the areas that they will be focusing in with that capital plan on the slide. They have completed a cost of service study. You will be hearing more about that in August as well as you are looking at their budget and they are looking at changes in their rate structure related to water conservation. The overall system-wide rate increase that they're predicting for next year is about four and a half percent. Just to give you an idea of the impact on the average customer's utility bills, it's a three-dollar increase each month for both. And that includes water and wastewater. And that is consistent with what they predicted last year. The drainage utility, this is also very similar to what was discussed with council last year. They expressed a desire at that point in time to at least maintain what they were currently transferring into the drainage fund for CIP. And with that they anticipated that they would need a rate increase this year of about 60 cents per month for the average residential customer. And that will allow them to continue contributing to the CIP program at about the tune of \$16 million. Now, their long range goal is to get up higher than that. Ultimately I believe in the out year of the forecast their goal was to get to approximately \$30 million, which would help fund that drainage master plan over a 40-year period. It wouldn't completely fund it, but at least it would make a major step in that regard. So you will be hearing more from Victoria Lee about the drainage utility in August as well. Solid waste services, this one we're going to be coming back to you in July with more detail there in terms of the proposed budget and then talking further in August as well. As you will recall, the only rate increase that we've had there for the pay as you throw program happened last year, so the current forecast has not been fleshed out yet to the extent that we're proposing any additional staffing, service enhancements or a rate increase, but we'll be talking to you about future rate considerations that could be driven by and will likely be driven by the implementation of the solid waste services master plan, the zero waste initiative and materials recovery facility, and trying to achieve and then maintain compliance with our financial policies regarding reserve levels. So again, we'll bring something back to you in July that's a little more specific, and -- or a lot more specific. And then we'll continue to talk about that in August. The transportation fund, this is the last enterprise fund slide. And this is consistent with what we talked about last year at the forecast as well. Right now the general fund 4 million to the transportation fund for street maintenance. We're maintaining that in the forecast for 2010. As we talked to council last year, we were predicting at that time a need for an increase in the transportation fee of about a dollar per month for single-family homes in order to make some progress on our street maintenance there. And so they have refined that number somewhat. 14 at this point in time. And that will allow public works to continue to reduce the poor and marginal lane conditions by 800 lane miles by the end of 2016. I just want to point out in your handouts it actually says 2010. That is a typo. So the goal is to improve that 800 lane miles by the end of 2016.

We'll get that fixed when that goes out on the website. So with that, that is the enterprise funds. Again, we'll be coming back to you in august and you will be hearing from those department directors in-depth about the enterprise funds and their budget proposals. Thank you.

Mayor, if I may, just in closing, I really do want to take a moment to acknowledge and express gratitude to my entire executive team, the acm's, chief of staff, a of the department heads, but I want to thank and note leslie and her staff, greg, ed and jeff is back there, and there are others as part of the chief financial officer staff who have worked a long time and really hard to -- they do every year to get us to this point. I want to especially note, ed, our new budget officer, leslie was absolutely correct. He's a quick study. He didn't have much time to get it done, and I think you can tell by the -- his presentation and the substance of knowledge that he brought to bear today that we chose the right guy for the job. So, ed, thank you for all your efforts as well.

Mayor Wynn: Thank you all. Further comments, questions? Councilmember leffingwell.

Leffingwell: I want to go back and just try hopefully to clear up something. I don't think you meant to say that it would be impossible to, for example, hold a transportation bond next year without increasing the debt service portion of the tax because I think that would require a detailed analysis of the entire debt structure. There may be older bonds that are being retired and paid off, and there's also other options as far as deferred payments on future issues of bonds and so forth. So I don't want it to be taken away from here that it's impossible to do that without a tax increase.

That's correct. What we're saying is at this point right now, without having done a detailed capacity analysis, which again we've told you we are in the process of working on as of now, but certainly there are a lot of factors that go into determining a bond program and any financial impact. That work has not been done.

Leffingwell: Okay.

Mayor Wynn: Again, further questions, comments? Councilmember morrison.

Morrison: Just one brief comment. In addition to thanking the staff, I want to thank you, city manager, for having the staff do all this work, but also for being open to the ideas for opening the process up to the public more. I know you and I have had a discussion about that. And I think that working through the boards and commissions is not only going to be able to allow us to gather inputs from the board and commission members who are really knowledgeable about the services at that level, but also for the public to get -- delve in deeper for particular departmental items. And it might be helpful once you get the schedule set up for when certain boards will be discussing the budget, if we could get that posted on our website so folks could check in and make plans accordingly for their calendars.

We'll do that.

Morrison: Thank you.

Mayor Wynn: Again, further exe questions or comments? Technically we weren't postd for action, this is just a special called meeting to get this information and have the discussion that we've had. So there being no more comments, we stand adjourned. It is approximately 11:26 p.m. Thank you.

End of Council Session Closed Caption Log